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Quadrilateral Trade Talks Completed in Tokyo**Trade Agreements Expected**

OW2406015193 Tokyo KYODO in English 0141 GMT
24 Jun 93

[Text] Tokyo, June 24 KYODO—Top negotiators from four major economic powers resumed talks in Tokyo on Thursday [24 June] morning in an attempt to give added impetus to progress in the stalled Uruguay Round of multilateral trade talks. Trade ministers from Japan, the United States, the European Community (EC) and Canada are striving to wrap up a package of market-access measures for goods and services by the time the leaders from the Group of Seven (G-7) industrial countries meet in Tokyo early in July.

On the first day of the two-day quadrilateral talks, following similar meetings in Toronto in mid-May and in Paris in early June, negotiators held "frank discussions" on wide-ranging market areas, according to Japanese officials at the International Trade and Industry Ministry [MITI]. But details of the actual discussions were not disclosed, with working-level talks believed to have continued into the night.

The meeting is co-chaired by Japan's Foreign Minister Kabun Muto and MITI chief Yoshiro Mori. Other participants are U.S. Trade Representative Mickey Kantor, Canadian International Trade Minister Michael Wilson and EC Commissioner for External Economic Relations Leon Brittan.

Thursday's talks are focusing on ways to find room for mutual concessions on difficult issues, including the abolition of import tariffs for Japanese forestry products and EC semiconductors, conference sources said. The trade ministers are expected to emerge from the final-day session with agreements in less difficult trade areas, such as mutual removal of tariffs on paper-pulp and medical drugs, the sources said.

The ministers are scheduled to hold a joint press conference in the afternoon to announce results of the Tokyo meeting.

Market Access Pact Not Reached

OW2406063793 Tokyo KYODO in English 0625 GMT
24 Jun 93

[Text] Tokyo, June 24 KYODO—Top trade negotiators from Japan, the United States, the European Community (EC) and Canada failed to complete a package of wider market access for goods and services at their two-day meeting which ended Thursday [24 June]. Japanese Foreign Minister Kabun Muto, who co-chaired the four-way trade meeting with Trade Minister Yoshiro

Mori, said the negotiators will gather again in Tokyo on July 6 to finalize and endorse the package for the July 7-9 Tokyo summit.

Leaders from the Group of Seven economic powers are expected to declare a conclusion of the stalled six-year-old Uruguay Round under the General Agreement on Tariffs and Trade (GATT) must be reached by the end of the year. Other participants at the trade meeting were U.S. Trade Representative Mickey Kantor, EC External Affairs Commissioner Leon Brittan and Canadian Trade Minister Michael Wilson.

Ministers To Meet Again on Access

OW2406102393 Tokyo KYODO in English 0959 GMT
24 Jun 93

[Text] Tokyo, June 24 KYODO—Top trade negotiators from four economic powers agreed at an inconclusive two-day meeting ended Thursday [24 June] to meet again in Tokyo on July 6 to complete a package on market access for industrial goods and services. The meeting between Canada, the European Community (EC), Japan, and the United States failed to reach a broad agreement because of the package's complicated nature, a senior Japanese Government official said.

Despite maximum offers by each side and some progress, the trade ministers could not finalize the package, part of the stalled Uruguay Round of multilateral trade negotiations, the official said on condition of anonymity. Japanese Foreign Minister Kabun Muto, who co-chaired the meeting with International Trade and Industry Minister Yoshiro Mori, said at a joint press conference, "We will submit a report to the Tokyo summit" of the Group of Seven (G-7) nations July 7-9. "Until then we cannot go into details of today's discussion, but we are sure that an outline of an ambitious agreement on market access for goods and services is within reach," Muto said.

Mori said the ministers will gather again July 6 to acknowledge the outcome of further working-level negotiations based on what they discussed at the meeting and draw up a report for G-7 leaders. Although, as Muto said, the goal is to bring the Uruguay Round to a comprehensive conclusion by the end of this year, the prospects are still uncertain, analysts said.

Because the market-access package, termed by the U.S. official as "the world's largest Rubik's Cube," excludes the most controversial issue of agriculture, it will only be a small package and not a full one for the Uruguay Round of talks, which involve more than other negotiating parties. Japan will be urged to do more to reduce tariffs on processed farm products like chocolate and to open up its rice market after the G-7 Tokyo summit meeting, the analysts said.

Japan**New Lower House Candidate To Join Hata Faction**

*OW1906041093 Tokyo KYODO in English 0355 GMT
19 Jun 93*

[Text] Morioka, June 19 KYODO—A prefectoral assembly member of the ruling Liberal Democratic Party (LDP) in Iwate Prefecture said Saturday he will run for the general election on July 18 on the ticket of the Hata faction, a dissident group within the LDP. "I was disappointed the LDP thwarted the political reform," said Kentaro Kudo, 50, formerly associated with a legislator of Prime Minister Kiichi Miyazawa's faction.

Kudo told reporters that he has decided to convert to the faction headed by former Finance Minister Tsutomu Hata because of the group's seriousness for realizing political reform.

The prime minister Friday night dissolved the House of Representatives after he failed to survive an opposition no-confidence motion supported by dissident LDP members.

Hata told reporters shortly after the dissolution that he plans to create a new party, saying his faction members will make every effort to open the way for "vitalizing" Japanese politics for the 21st century.

The Hata faction, which currently has 35 lower house members, is reportedly expected to put up more than 10 new candidates for the general election.

Hata and his ally Ichiro Ozawa, former LDP secretary general, formed their group last December, splitting the then largest faction founded by former Prime Minister Noboru Takeshita and advocating political reform.

LDP-Supported Independent Wins Chiba Election

*OW2006134193 Tokyo KYODO in English 1226 GMT
20 Jun 93*

[Text] Chiba, June 20 KYODO—Incumbent Asahi Matsui won Chiba's mayoral election Sunday for his fifth four-year term of office, election management officials said. Matsui, 65, an independent backed by the Liberal Democratic Party, Komeito and the Democratic Socialist Party, beat Hideo Kageyama, 45, also an independent supported by the Japanese Communist Party.

Chiba, capital of Chiba Prefecture, adjacent to Tokyo from the east, is Japan's 13th largest city with a population of 825,000. Matsui garnered 125,459 votes and Kageyama received 54,609, the officials said.

The voter turnout was a low 29.7 percent, a drop of 13 percentage points from the last mayoral election in 1988, the officials said. Political analysts blamed the low voter turnout partly on the failure of the country's main opposition party, the Social Democratic Party (SDP), to field a candidate.

LDP Sets Up Election Headquarters 21 Jun

*OW2106042593 Tokyo KYODO in English 0340 GMT
21 Jun 93*

[Excerpt] Tokyo, June 21 KYODO—The Liberal Democratic Party (LDP) set up an election headquarters on Monday to fight the most serious challenge ever to its decades of one-party rule in the general election set for July 18.

Following the setting-up of the election headquarters, the party scheduled meetings of an election committee and of executives of the committee for Monday afternoon, to plan the fielding of a first batch of some 200 candidates in the upcoming election, party officials said. The election headquarters was originally scheduled to have been set up on Wednesday, the officials said, without elaborating on why its establishment was brought forward.

The LDP will field a total of 300 candidates by the time the ruling party and the opposition parties register their candidates with the Election Administration Committee on July 4, the officials said. [passage omitted]

Prefectural Police Prepare for General Election

*OW2206023393 Tokyo KYODO in English 0218 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—The National Police Agency (NPA) on Tuesday held an urgent meeting of prefectural police heads to prepare to deal with election law violations ahead of the general election on July 18. NPA Commissioner General Yasumitsu Kiuchi told the assembled police chiefs to effectively combat serious election violations, as the trust of the public in the police force depends on it.

Kiuchi also urged the prefectural police chiefs to expose serious election offenses even before polling day if definite evidence is found. The commissioner called for vigilance against possible terrorist attacks by right-wing extremists against Prime Minister Kiichi Miyazawa and other influential political figures.

Prefectural police throughout the nation set up special offices to deal with election law violations last Saturday, a day after the House of Representatives was dissolved following the passage of a no-confidence vote against Miyazawa's cabinet.

KYODO Profiles LDP 'Revolt' Leader Hata

*OW2206234593 Tokyo KYODO in English 2313 GMT
22 Jun 93*

[Text] Tokyo, June 23 KYODO—Tsutomu Hata, the leader of a revolt against the ruling Liberal Democratic Party (LDP) that may abruptly end its 38-year clamp on power, is a professed champion of political reform who began his working life as a bus conductor. The 58-year-old Hata is also a second-generation politician whose former mentors include LDP leaders linked with

the corruption he is vowing to eliminate, once admitting he has taken part in some "sloppy political power play."

Hata's rebel LDP faction forms a breakaway party Wednesday [23 June] afternoon. It supported a no-confidence motion against the government of Prime Minister Kiichi Miyazawa last Friday and he looms as a possible prime minister if anti-LDP forces can form an historic coalition government after the July 18 general election. His action follows many years at the core of LDP power when he became a senior member of the party's most powerful faction and served as a cabinet minister in such portfolios as agriculture and finance.

As farm minister, Hata attracted ire in 1987 when he told a luncheon meeting with U.S. congressional leaders Japan could not increase consumption of U.S.-grown beef because "Japanese have longer intestines than Americans."

A Seijo University graduate, Hata worked as a bus conductor and tour planner for Odakyu Bus Co. for 10 years from 1958. He began his political career after the death of his father Bushiro, a veteran House of Representatives legislator.

Hata won a lower house seat in the No. 2 Constituency of Nagano Prefecture in 1969, enjoying the windfall benefits of his fathers' network of supporters. He sought to deflect criticism about his family connections by saying he had "a sense as an ordinary citizen acquired by working in the tourism service industry."

Hata joined the LDP's largest faction led by Kakuei Tanaka, prime minister in the early 1970s, reaching the upper echelons of the faction in 1984 by becoming its secretary general. Tanaka once described Hata as having a "character similar to that of (LDP power broker Shin) Kanemaru" in view of his sharp pragmatic political sense and ability to reconcile conflicting interests among individuals.

After a Tokyo court sentenced Tanaka to four years in jail in 1983 for alleged acceptance of bribes from Lockheed Aircraft Corp., Hata began distancing himself from his faction boss, whose power was further weakened by a stroke in 1985.

When faction member Noboru Takeshita formed a "policy study group" including the bulk of the Tanaka faction the same year, Hata was one of key founding members. The group broke away to form the powerful Takeshita faction in 1987. Takeshita became prime minister that year but resigned in 1989 for his involvement in the Recruit stocks-for-favors scandal. Both Hata and ally Ichiro Ozawa reportedly drew strong political and financial backing from Kanemaru, chairman of the Takeshita faction until his downfall last year.

After becoming chairman of the LDP's Election System Research Council in 1990, Hata stepped up his longtime argument for a single-seat constituency system to replace

multiseat electorates as the only viable way to clean up Japan's money-dominated politics.

"Although I have engaged in sloppy political power play, it has become impossible to continue such power play, now that the world is undergoing a major change," Hata said in a 1990 interview with KYODO News Service.

After Kanemaru was forced to quit his Diet seat and as Takeshita faction head last October for his involvement in the Tokyo Sagawa Kyubin money-and-mob scandal, Hata surprised colleagues by announcing his intention to take over as faction chairman.

When his rival Keizo Obuchi was anointed instead, Hata teamed up with Ozawa to split the LDP's largest faction in December by founding a breakaway group of 43 Diet members. Party critics described Hata as a "marionette being forced to dance on the palm of Mr. Ozawa."

When Michio Watanabe quit as foreign minister in poor health April 6, Prime Minister Miyazawa quickly sought to win over Hata by offering him the post. But Hata turned down the offer a few hours later after consulting with Ozawa, saying he wanted to focus on political reform, the issue that brought down Miyazawa's government.

LDP 'Greatly Shaken' by Two Splinter Parties

OW2306223893 Tokyo KYODO in English 1505 GMT
23 Jun 93

["News focus" feature by Takehiko Kajita]

[Text] Tokyo, June 23 KYODO—The emergence of one new splinter party after another foreshadows the end of 38 years of unbroken Liberal Democratic Party (LDP) rule in Japan and could set the stage for a two-party system.

Since Prime Minister Kiichi Miyazawa suffered a humiliating defeat in a no-confidence vote against his cabinet last Friday [18 June], 56 legislators have quit the LDP and most have joined two newly born conservative parties. On Monday, 10 former LDP rebels set up a party called Sakigake (Harbinger), and another group of 44 ex-LDP lawmakers led by former Finance Minister Tsumoto Hata on Wednesday created Shinseito (New Life Party), with a call for a new political system.

The moves have greatly shaken the LDP, in uninterrupted power since 1955, when the party was founded with the merger of two conservative parties, the Liberal Party and the Democratic Party. The LDP has since managed to keep voters on its side partly on the strength of its economic policy of making Japan a wealthy nation.

Prime Minister Hayato Ikeda took the initiative in leading Japan to its current economic prosperity with his widely praised 1960 scheme intended to double the national income, which reaped large benefits. Another

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reason for what contributed to keeping the LDP in power for nearly four decades has been the perceived ineptness of opposition parties.

After the cabinet of Prime Minister Tetsu Katayama of the predecessor of the Social Democratic Party [of Japan] (SDP) [SDPJ] crumbled in 1948 due to onslaughts by leftists within his own party against the progressive-liberal coalition government, most Japanese developed a sense of distrust in progressive forces.

The business community, deeply concerned about economic management, provided political donations only to conservative forces before the LDP's foundation. It has intensively channeled money to the LDP since it emerged as the single conservative force. For these reasons, the LDP has maintained the reins of government to date. But the party has not always enjoyed unanimous public support.

The LDP has invariably been a coalition of several factions. With a weak opposition, ruling party legislators have instead devoted themselves to interfactional competition. Members of such LDP groupings aim to help their bosses climb the political ladder to the highest office, enabling the faction's leaders to distribute cabinet portfolios and key party posts to their followers.

Under the multiseat electoral system for the House of Representatives, LDP candidates have had to compete with other factions' candidates as well as those fielded by opposition parties. As a result, they tend to wage lavish election campaigns to win support, rather than to compete on policy.

Miyazawa's defeat in the no-confidence vote and the dissolution of the lower house for a July 18 general election came after his failure to keep a pledge to achieve political reform of electoral changes and tighter curbs on funding.

In the 1970s, dissatisfaction abounded within the LDP, particularly among younger members, about the faction system and the domination of the party by the most senior members. The mood culminated in the secession of a handful of lawmakers from the LDP in 1976 amid the political tumult sparked by the Lockheed payoff scandal in which former Prime Minister Kakuei Tanaka was indicted on charges of taking bribes. They subsequently created a small splinter party, the new Liberal Club with Yokei Kono, now chief cabinet secretary, as the leader. Despite some immediate success, the party could not gather further momentum, forcing Kono and most other members to return to the LDP fold in 1986.

Will the two newly born breakaway parties travel the same path? Or will they eclipse the LDP and evolve into a force capable of taking the reins of government?

Yukio Hori, a political science professor at Tohoku College of Social Welfare, said many LDP legislators support the idea of a system of two conservative parties. "Socialism no longer exists and there is no threat from

Russia either" Hori said. "Voters also think they don't necessarily have to back the LDP."

Top business leaders have expressed their support for a two-party system in the wake of the seemingly endless series of political scandals that have followed the Lockheed scam. But whether they will funnel their political contributions to new conservative forces is another story.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said he understood the reasons for the formation of new conservative parties but said his group, the nation's most powerful business lobby, will continue to give financial donations to the LDP, at least for the time being.

The LDP could well lose its simple majority in the 511-seat key chamber in the coming election. If other forces perform well and succeed in forging a coalition, the LDP will have to give up its long hold on power. Hori said the LDP will make great efforts to persuade its rebels to return to the party in the future.

"It is possible that more and more LDP legislators might defect to Hata's party," said Tadashi Iyasu, a professor of political sociology at Ryukoku University. "The bottom line is how many of the voters who did not go to the polls in the past will vote in the next election," he added.

Rengo To Support 'Reformists' in Election

OW2106131493 Tokyo KYODO in English 1237 GMT
21 Jun 93

[Text] Tokyo, June 21 KYODO—The leader of Japan's largest trade union confederation said Monday his group will support reformists in the upcoming general election, regardless of party affiliation, to help establish a coalition government. Akira Yamagishi, president of the Japanese Trade Union Confederation (Rengo), said at a meeting that it is necessary to form organizations to support reformists.

"It is imperative to unify reformers who share views, not to look upon all persons who are listed on the Liberal Democratic Party (LDP) ticket as the enemy," he said.

Yamagishi told reporters earlier in the day the eight-million member confederation would maintain friendly relations with a new party to be announced Wednesday by former Finance Minister Tsutomu Hata, another new party formed Monday by 10 former LDP legislators and the 13-month old Japan New Party. He said Rengo will place priority, however, on candidates backed by the largest opposition Social Democratic Party and the Democratic Socialist Party.

Offers 'To Cooperate' With Hata

*OW2506130793 Tokyo KYODO in English 1243 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—The leader of a group that bolted from the ruling party earlier in the week and the head of Japan's largest trade union confederation agreed Friday to cooperate in the July 18 general election for the House of Representatives. Former Finance Minister Tsutomu Hata asked Akira Yamagishi, president of the Japanese Trade Union Confederation (Rengo) for his support of the newly inaugurated Shinseito (New Life Party) in the upcoming election. Yamagishi told reporters.

Yamagishi accepted Hata's request, saying, "(the confederation) will strengthen its tie-up with Shinseito to establish a political system in which change of power is possible." The governing Liberal Democratic Party (LDP) has been in power since 1955.

Yamagishi said non-LDP forces should agree to succeed policies of Prime Minister Kiichi Miyazawa administration's on major issues such as foreign affairs, defense and security to forge a stable coalition government after the general election.

Shinseito, the Social Democratic Party [of Japan, SDPJ] (SDP), Komeito, the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP) hope to form a coalition after the election to end the LDP's hold on power.

The eight million-strong Rengo, a major base of support for the SDP and the DSP, has urged opposition parties to cooperate in the election to realize a change in power. After the meeting, Yamagishi told reporters that his organization will offer help to Hata's party in 17 to 18 of the 129 electoral districts in the election.

Michio Watanabe To Seek LDP Presidency

*OW2506120193 Tokyo KYODO in English 1141 GMT
25 Jun 93*

[Text] Utsunomiya, June 25 KYODO—Former Foreign Minister Michio Watanabe expressed a willingness Friday to run in the October presidential race of the ruling Liberal Democratic Party (LDP). "I want to run by all means," said Watanabe, leader of the No. 3 LDP faction, at a news conference.

"I do not have pity," Watanabe said about Prime Minister Kiichi Miyazawa in regards to last Friday's passage of a non-confidence motion against his government in the House of Representatives. Miyazawa dissolved the lower house as a result and called a snap general election, which is slated for July 18.

Forty-four dissident LDP members bolted from the party and formed a new political party, Shinseito (New Life Party), on Wednesday.

"Originally, members of the Shinseito supported Prime Minister Miyazawa (in the previous LDP presidential race two years ago). I opposed him. Mr. Miyazawa is a man of indecision and he is no good," he said.

Watanabe was the No. 2 man in the cabinet of Miyazawa until he resigned as deputy prime minister and foreign minister April 6 after being hospitalized for a second time in nine months February 15.

In late May 1992, Watanabe was first admitted to hospital for what doctors said was gallstones and an infected bile duct. He resumed his duties at the Foreign Ministry in July after a break of 40 days.

Takeshita Fails To Win LDP Candidacy Backing

*OW2506101893 Tokyo KYODO in English 1005 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Former Prime Minister Noboru Takeshita failed Friday to win recognition as an official candidate of the ruling Liberal Democratic Party (LDP), raising the possibility he may run as an independent in the July 18 election for the House of Representatives.

Takeshita's name was not listed among the additional 76 candidates the party announced Friday. Earlier, the party named 200 official candidates.

Takeshita, whose name was linked in a money-and-mobster scandal involving the now-defunct Tokyo Sagawa Kyubin trucking company, was reported to have become prime minister in 1987 with the help of the leader of a gangster organization. He denied the report in testimonies in three appearances in the Diet.

He resigned as prime minister in May 1989 taking responsibility for his alleged involvement in the 1988-1989 Recruit stocks-for-favor scandal.

The ruling party has been stung by a series of scandals, including the arrest and indictment of former LDP Vice President Shin Kanemaru on charges that he evaded paying taxes on income of 1 billion yen.

The lower house passed a no-confidence vote against the government of Prime Minister Kiichi Miyazawa last Friday with party rebels siding with the opposition. Miyazawa dissolved the house for a snap election.

Since then, 56 conservative parliamentary members have bolted from the ruling party. One group of 10 formed a party called Sakigake (Harbinger) and another group of 44 established a party named Shinseito (New Life Party) headed by former Finance Minister Tsutomu Hata.

Hata was a close aide to Takeshita until late last year when the faction founded by the former premier split into two.

Political sources, meanwhile, said Takeshita was prepared to run as an independent for the upcoming election. His election district is in Shimane Prefecture on the western coast of the Sea of Japan.

If he runs as an independent, he would be the third ex-premier to seek a lower house seat without LDP support.

Kakuei Tanaka and Yasuhiro Nakasone ran successfully in the past as independents after they were dropped from LDP backing. Tanaka, who was found guilty in the 1976 Lockheed payoff scandal, is retired. Nakasone, who was implicated in the Recruit scandal, has never been criminally charged and is still active in politics.

Miyazawa Criticizes Opposition Coalition Plan

*OW2506033593 Tokyo KYODO in English 0252 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Prime Minister Kiichi Miyazawa on Friday criticized efforts by five political parties to establish a coalition government after the July 18 general election for the House of Representatives, saying the parties lack policies.

"It is no good without discussing policies. Anyone can talk about it without policies," Miyazawa said of the coalition plan in a brief talk with reporters at his official residence.

Miyazawa is also president of the long-governing Liberal Democratic Party (LDP), which has been in power for 38 years.

The coalition plan was agreed upon Thursday among leaders of four opposition parties and the newly formed Shinseito (New Life Party).

The four opposition parties are the Social Democratic Party (SDP), Komeito, the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP).

Shinseito was formed Wednesday by a group of 44 LDP defectors led by former Finance Minister Tsutomu Hata.

Concerning moves among the five parties to continue some of the LDP's policies in the event of coalition, Miyazawa said there would be no justification for the SDP to exist if it accepts the LDP policies.

One of the main policy differences of the SDP with the LDP is that the main opposition party has long been against Japan's security arrangements with the United States. It also seeks a scale-down of the Self-Defense Forces.

Minister: No Comment on Possible Loans to LDP

*OW2506033993 Tokyo KYODO in English 0329 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Finance Minister Yoshiro Hayashi said Friday he could not make any

comment on reports that the ruling Liberal Democratic Party (LDP) had asked banks for loans of up to 20 billion yen to fund its election campaign. "That is not an issue I have to speak of," Hayashi said in remarks to reporters after a regular cabinet meeting.

The LDP is reported to have called on the nation's major commercial banks through a bankers' federation to provide the loans to finance its campaign for the July 18 House of Representatives election. The LDP to date has borrowed large amounts from banks every time a general election was held.

'Sources': LDP Asking Industry for Donations

*OW2506141893 Tokyo KYODO in English 1346 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—The ruling Liberal Democratic Party (LDP) has asked leading Japanese companies for political donations totaling 3 billion yen for the July 18 general election, informed sources said Friday. The LDP made the request to the nation's blue-chip electric, automobile, construction, life and nonlife insurance companies passing the Federation of Economic Organizations (Keidanren), the sources said. [sentence as received]

The LDP is expected to use the political funds to repay bank loans the LDP is asking for, the sources said.

Eight big city banks told the party Friday that they will extend emergency loans totaling 10 billion yen for election funds, 5 billion less than the party has previously requested, banking sources said. The eight banks, including Dai-Ichi Kangyo Bank, will share the 10 billion yen funds equally.

In the 1990 general election, the LDP asked the banking industry for 30 billion yen for election funds but the banks provided the party with 15 billion yen, of which 4.5 billion yen has not yet been paid back, the sources said.

Meanwhile, the Shinseito (New Life Party), newly established by former Finance Minister Tsutomu Hata and 43 other LDP defectors, has unofficially asked the Keidanren for about 5 billion yen in political funds, informed sources said. But Keidanren chairman Gaishi Hiraiwa has said the powerful economic organization plans to grant political funds only to the LDP.

Miyazawa's 'Poor' Leadership Traits Cited

*OW1806181493 Tokyo KYODO in English 1417 GMT
18 Jun 93*

[“News Analysis” by Teiji Shimizu]

[Text] Tokyo, June 18 KYODO—Prime Minister Kiichi Miyazawa may have illustrious credentials as an able bureaucrat, but he has proved to be a poor political leader.

The House of Representatives passed a no-confidence motion against Miyazawa with a vote of 255 to 220 Friday night, the first such move in the powerful legislative chamber since 1980 and only the fourth since the end of World War II.

The passage of the motion Friday has disgraced the 73-year-old Miyazawa, who was undoubtedly looking forward to hosting the Tokyo summit of the Group of Seven (G-7) major industrialized nations July 7-9. Miyazawa was also largely expected to lead his ruling Liberal Democratic Party to victory in a national election that many thought would be held late this year even though the four-year term of the lower house does not expire until February next year.

Miyazawa now will have to seek a new mandate in July in a bid to salvage his political career.

Political pundits generally blamed Miyazawa for the result of the voting in the lower house. Some say the prime minister was lacking in an ability to attract many of his own party members, who saw him as indecisive on important issues and failing to live up to his oft-stated pledge to follow through with political reform to regain public confidence in the political system. Japan has been rocked by a series of payoff scandals in recent years.

Miyazawa, who comes from a blue-blooded political family and spent the early part of his adult life as a fast-track official of the Finance Ministry, is known to have disdained involving himself in political wheelings and dealings despite his 30 year career as a politician.

A graduate of the prestigious University of Tokyo's Law Department, Miyazawa served efficiently as a secretary to his political mentor, the late Hayato Ikeda, when Ikeda was finance minister.

The unfavorable turnaround Friday came in the wake of steady declines in Miyazawa's popularity in opinion polls. Shortly after becoming prime minister in November 1991, he enjoyed a 40 percent approval rating. But the figure dropped to 9 percent in the latest survey conducted by a television station Thursday.

Miyazawa assumed the reins of government when there was virtually no one to occupy the highest political post in the country after the resignation of former Prime Minister Toshiki Kaifu due to his own failed efforts to push political reform.

Miyazawa has become known too well as a rare politician at ease with reading English language weeklies even while attending plenary sessions of the Diet. He is also considered aloof and one who shuns reporters once he returns to his private residence after work, behavior that is ill regarded in this country. Japanese political leaders often invite reporters home for drinks to swap information. But Miyazawa apparently considered the practice a waste of time and cherished his private life.

The drop in his popularity in opinion surveys largely reflected the Japanese public's displeasure with his

inability to pull the country out of a long depressed economy, and his seeming preference to listen to Finance Ministry officials rather than to leaders in various circles in the private sector. Their dissatisfaction with Miyazawa as premier was also seen in the outcome of his talks with U.S. President Bill Clinton in April. Despite Miyazawa's display of speaking directly to the president in English without an interpreter, the Japanese public was not impressed as the talks produced no results on trade matters.

Political experts say Miyazawa could have averted the no-confidence vote if he had shown better leadership in working out political reform measures that sought to overhaul the electoral system for the lower house.

Candidates Campaign for Tokyo Assembly Election

OW1806160493 Tokyo KYODO in English 0610 GMT
18 Jun 93

[Text] Tokyo, June 18 KYODO—Major political party leaders took to the streets of Tokyo on Friday to seek support from the city's more than 9.3 million voters on the opening day of the campaign for the June 27 Tokyo metropolitan assembly election.

A total of 258 people filed candidacies Friday for the 128-seat local assembly election, election administration committee officials said.

Among them are a record 42 women candidates, an increase from the previous 1989 election when 33 women candidates took part and 17 were elected. Of the total number of candidates, 107 candidates are incumbents, 13 are former assemblymen and 138 are new, the officials said.

The campaign started under the shadow of a possible snap general election, with analysts saying that the outcome of the poll will be closely watched as an indicator of national political trends. Campaigning in Tokyo began the same day that many political pundits had predicted Prime Minister Kiichi Miyazawa would dissolve the House of Representatives rather than face almost certain defeat in a vote of no-confidence over his failure to get political reform bills passed in the legislature.

The election also comes as public distrust of politics has reached new heights in the wake of a series of scandals implicating politicians, including a money-and-mob scandal involving now-defunct trucking company Tokyo Sagawa Kyubin and tax evasion by former ruling Liberal Democratic Party (LDP) Vice President Shin Kanemaru.

Miyazawa, who was not asked to make campaign speeches on behalf of LDP-backed candidates in the election, spoke briefly in front of the LDP headquarters in Nagatacho.

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"We have to fight this election with two great goals of 'change and trust,'" Miyazawa said. He gave high marks to the leadership of Tokyo Gov. Shunichi Suzuki and said there is a lot to learn from Tokyo in achieving his longtime goal of making Japan a great place to live. But Miyazawa did not touch on topics relating to political reform aimed at revising election constituencies for the House of Representatives.

Social Democratic Party [of Japan] (SDP) [SDPJ] Chairman Sadao Yamahana, Komeito Chairman Koshiro Ishida, and Democratic Socialist Party (DSP) Chairman Keigo Ouchi all criticized Miyazawa for not carrying out political reform. They said the metropolitan assembly election is important in deciding the future of Japanese politics.

The LDP, which currently holds 43 seats in the assembly, fielded 74 candidates for the Tokyo assembly election. The SDP, which holds 32 seats, fielded 34 candidates, Komeito with 26 seats, fielded 25, and the Japanese Communist Party, with 13 seats, put up 42 candidates. Four candidates will run on the ticket of the DSP, which currently holds four seats. The Japan New Party, which holds two seats, is likely to field 22 candidates. The remaining 57 candidates are independents and from minor parties.

EC Reverses Stance on Global Forestry Trade

*OWI 1806181993 Tokyo KYODO in English 1113 GMT
18 Jun 93*

[Text] Tokyo, June 18 KYODO—The European Community (EC) has reversed its earlier stance on global talks on forestry trade reforms [words indistinct] supported a proposal for the elimination of tariffs on forestry products, a government official said Friday.

The official, who is with the nation's Agriculture Ministry and who asked not to be named, said the 12-nation trade bloc now sides with the United States and Canada in talks aimed at freeing forestry trade, one of the areas for debate at the Uruguay Round of multilateral trade talks. The official said Brussels made the about-face at the May meeting of trade ministers of Japan, the U.S., the EC and Canada in Toronto. Before that, it proposed reductions in duties.

The change of the EC's heart should isolate Japan at the global talks as Tokyo has resisted scrapping tariffs on forestry products, proposing instead a 47 percent cut in such levies in line with a 1990 bilateral pact with Washington. The official said the EC attached, however, some conditions to its support for the idea of the U.S. and Canada, such as an end to the restrictions on log exports by some nations.

This may draw opposition from the U.S., which regulates log exports in some areas for what it calls environmental protection, and some developing nations such as Malaysia, according to the official.

Trade Minister Supports Market-Access Package

*OWI 2506033793 Tokyo KYODO in English 0323 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Japan's Trade Minister indicated Friday that a market-access package for industrial goods and services can be finalized by July 6 when top trade negotiators from four economic powers will meet again. International Trade and Industry Minister Yoshiro Mori said at a press conference that a draft package "has been put in order to consider [passage indistinct] be done in working-level arrangements."

Ministers from Canada, the European Community (EC), Japan, and the United States agreed at a two-day "quadrilateral" meeting that ended Thursday to gather again in Tokyo on July 6 to complete the package in time for the July 7-9 Tokyo summit of the Group of Seven (G-7) industrialized nations.

The quadrilateral meeting in Tokyo had been expected to complete the package as part of the stalled Uruguay Round of trade talks involving more than 100 negotiating parties, which started in 1986.

"We want to work out as good a package as possible," Mori said, declining to go into details of sensitive negotiations. Mori suggested, however, that there remains a big gap between the U.S. and EC in such areas as textiles and electronics, saying, "the U.S. and EC have become severe."

Muto: Tokyo To 'Broach' Isle Dispute at G-7

*OWI 2506112093 Tokyo KYODO in English 1056 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Foreign Minister Kabun Muto on Friday said Japan will broach its territorial dispute with Russia during the Group of Seven (G-7) summit in separate talks between the G-7 foreign ministers on July 7.

Muto, in an interview with KYODO News Service, predicted that a reference to the territorial dispute "will probably not be included" in the political declaration of the July 7-9 summit as it was at the last year's summit in Munich. He said the Japanese Government's concern over public sentiment obliges it to take some sort of alternative action to demonstrate that Japan is not allowing the issue to be shelved.

Prime Minister Kiichi Miyazawa has stated that he will not make an issue of the territorial dispute during the summit itself, though he plans to discuss it in bilateral talks July 8 with Russian President Boris Yeltsin.

"So I want to discuss this in the meeting among (the G-7) foreign ministers," Muto said. "The subject of assistance to Russia will naturally come up and I want to broach (the territorial issue) then in some form or another."

He said he would at least explain Japan's desire to see Russia implement its pledge to pursue a foreign policy based on "law and justice."

Japan maintains that the 1945 Soviet seizure of a group of four northern Japanese islands after its World War II surrender was illegal and says Moscow is bound by a 1956 bilateral pledge to return at least two of them after the signing of a peace treaty.

Japan succeeded in Munich in having the G-7 political declaration say that the G-7 "welcomes Russia's commitment to a foreign policy based on the principle of law and justice...as a basis for full normalization of the Russian-Japanese relationship through resolving the territorial issue."

Muto said the government takes the position that the issue need not be restated in the Tokyo declaration because last year's declaration retains validity. "The Japanese public, however, will think it strange if it was included previously but not this time," he said.

Muto said Miyazawa will mention the issue to Yeltsin, but will not "negotiate" on it due to the lack of time. The Russian leader will be in Tokyo for a special meeting with the G-7 leaders collectively at the end of their summit.

Earlier this month, Yeltsin told a televised news conference in Moscow that Miyazawa's raising of the dispute will cause "some awkwardness" because "there is nothing new I can tell him."

Muto said Miyazawa will remind Yeltsin that Japan in January 1992 supported Russia's assumption of the Soviet Union's permanent seat on the UN Security Council. As the successor state, the premier will say, Russia is obliged to honor legally binding Soviet-Japanese agreements.

Muto said Yeltsin will also be told that since the islands were seized and occupied after the war had already been terminated, "they must naturally be returned and a peace treaty signed between us—not only for our benefit, but to contribute to the peace and stability of Asia and the world as a whole."

Bilateral relations have cooled since Yeltsin abruptly postponed a visit to Tokyo last September and accused Japan of intransigence on the territorial question. He subsequently postponed a visit anticipated for May, citing domestic concerns.

Tokyo Funds Fuel Shipment to Disputed Islands

*OW2106095493 Tokyo KYODO in English 0932 GMT
21 Jun 93*

[Text] Tokyo, June 21 KYODO—Japan has funded the shipment of 2,000 tons of diesel fuel from mainland Russia to a group of Russia-occupied islands claimed by Japan, the Foreign Ministry said Monday. Officials said the fuel was procured in Russia and taken by a chartered

Russian ship to the islands of Kunashiri and Shikotan, where it had been requested for the purpose of generating electricity.

Japan originally pledged 1,500 tons of fuel in April in response to an appeal by local authorities, who had declared a state of emergency due to the fuel shortage. But officials said problems were encountered in finding the required type of fuel in Japan, while Japanese tankers were allegedly incapable of docking at the islands' port facilities. Japan subsequently raised the offer to 2,000 tons of fuel.

The island of Etorofu, where local authorities had also requested fuel from Japan, was not provided any this time because sufficient supplies were procured domestically by the time the Japanese-chartered shipment was carried out.

Japan is trying to court public opinion on the three islands to facilitate their eventual return to Japan. Along with the uninhabited Habomai islets, they were seized from Japan at the end of World War II and their Japanese population expelled.

Nakasone Advises Proposal of Global 'New Deal'

*OW2506125393 Tokyo KYODO in English 1232 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Former Prime Minister Yasuhiro Nakasone called on embattled Premier Kiichi Miyazawa to propose carving out international pump-priming measures at the July 7-9 summit of the Group of Seven (G-7) wealthiest industrialized nations in Tokyo.

"If you ask me, it is good if (Miyazawa) proposes weighing the possibility of formulating an international version of the new deal," Nakasone said in an interview with KYODO News Service. He made the remark, referring to the U.S. economic stimulus measures aimed at lifting the country out of the great depression under President Franklin Roosevelt before World War II.

"Japan should take the lead in jump-starting the world economy while keeping some cards up its sleeve," he said, adding Miyazawa's leadership is key to hammering out some economic-spurring measures at the Tokyo summit.

Nakasone, 75, who was at the helm of the Japanese Government from 1982 to 1987, presided over the last Tokyo summit in 1986. He has also attended four other summit gatherings abroad.

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

The Tokyo summit, Nakasone said, should be a place to set clear global targets in such fields as politics, economy and security and pull the G-7 countries together for continued global collaboration.

"Due to the economic slump the world over, pessimism is rampant on the face of the earth," he said. "It is necessary to have the summit to provide an opportunity to blow it away."

While calling for internationally coordinated efforts to recover from the worldwide economic slowdown, Nakasone spoke of the need for a successful conclusion of the Uruguay Round of multilateral trade negotiations. He said the redefinition of the North Atlantic Treaty Organization's role, the Japan-U.S. Security Treaty and the basic U.S. policy toward Asia would be among the issues to be discussed.

He also said North Korea's suspected development of nuclear weapons should be taken up for discussion at the Tokyo summit to find a way to have Pyongyang stay in the international nuclear control pact and accept international nuclear inspections. North Korea said in March it will withdraw from the nuclear non-proliferation treaty in protest against calls for special inspections. It later said it will suspend the decision.

Nakasone said it is time for the G-7 summit to transform itself into an opportunity to fully contemplate not only economic issues but political and security issues as well. "Japan should bravely advocate the summit's transformation into one to discuss comprehensive issues," he said.

On the economic tumult in Russia, Nakasone said G-7 countries should line up behind President Boris Yeltsin, who will have a postsummit session with G-7 leaders.

Muto: Uruguay Round 'Must' Conclude by Yearend

OW2506130893 Tokyo KYODO in English 1258 GMT 25 Jun 93

[Text] Tokyo, June 25 KYODO—Foreign Minister Kabun Muto said Friday the long-stalled Uruguay Round of global trade talks must be brought to a successful conclusion "by all means" by the end of the year. In an interview with KYODO News Service, Muto also said the government would have to make a "political decision" on whether to liberalize rice imports this fall or winter.

The minister also hinted that the government would compile a second supplementary budget for fiscal 1993 after the fall unless the effect of the April package of pump-priming measures becomes evident by the fall.

The Diet earlier this month passed a supplementary budget proposal for this fiscal year which started in April, giving the green light to a 13.2 trillion yen stimulative package adopted in April.

Muto's remarks came amid increasing forecasts that Japan's major trading partners will call on Tokyo to boost domestic demand in the July 7-9 summit of seven industrialized powers in Tokyo.

Ministry Sends Team To Check U.S. Apples

OW2506113993 Tokyo KYODO in English 1116 GMT 25 Jun 93

[Text] Tokyo, June 25 KYODO—The Agriculture, Forestry and Fisheries Ministry sent a quarantine mission to the United States on Friday to confirm the effects of insecticides on apples the nation wants to export to Japan, the ministry said.

The U.S. tries to destroy pests by fumigating the apples with methyl bromide after keeping them at low temperatures for 55 days. The Japanese team will make on-site inspections of the disinfection procedures.

Japan bans the import of the U.S. apples on grounds the fruit does not meet its pest control standards. As for data on other harmful insects, the U.S. will disclose necessary information as early as this fall.

Japan's ban of apple imports from the U.S. would be lifted no earlier than fall next year as Japan wants to confirm the effects of apple tree disinfection in the April-May period next year when they flower, the ministry said. But the U.S. side argued it is sufficient to carry out on-site inspections around harvest time in fall.

Rice Council Deferred Until After Election

OW2106150493 Tokyo KYODO in English 1417 GMT 21 Jun 93

[Text] Tokyo, June 21 KYODO—The Agriculture, Forestry and Fisheries Ministry has decided to defer a meeting of the Rice Price Council to discuss 1993 rice prices until some time after the upcoming general election set for July 18, ministry officials said Monday. The meeting was earlier set for July 1.

The ministry decided that because of a likely major political change in the wake of the election, it would be nearly impossible to call a meeting of the advisory council until mid-August, ministry sources said.

The Japanese Government hopes to lower its purchase price of rice from farmers to narrow the gap between Japanese and overseas prices and to cope with the Uruguay Round of multilateral negotiations calling for a phasing down of agricultural protection, they said.

Last May, the Central Union of Agricultural Cooperatives (Zenchu) decided to seek a raise in the government's purchase price of rice harvested in 1993. The union hopes, however, that the price will be left unchanged since a raise may invite increasing pressure from both within and outside Japan for the opening up of the rice market to foreign rice, union officials said.

The Farm Ministry fears the price of rice may be hiked as a result of a combined call by the ruling and opposition parties, depending on the results of the coming election.

MITI Officials on Uruguay Round, U.S. Ties

*OW2506114093 Tokyo KYODO in English 1109 GMT
25 Jun 93*

[Text] Tokyo, June 25 KYODO—Newly appointed Vice Trade Minister Hideaki Kumano said Friday bringing about economic recovery is his most urgent task. Kumano, who assumed his new duties as vice international trade and industry minister, told an inaugural news conference he will follow economic developments closely in order for the Japanese economy to sustain stable growth.

He described the recent appreciation of the yen as a matter of concern and stressed the need for Japan to contribute to jump-starting the Uruguay Round of multilateral trade talks and Japan-U.S. talks on a new framework for bilateral trade.

He expressed hope that the trade negotiations will be brought to a successful conclusion by the end of the year.

Outgoing Vice Trade Minister Yuji Tanahashi, who was present at the news session, expressed regret that full economic recovery was not brought about during his tenure of office.

Meanwhile, Sozaburo Okamatsu, who succeeded Noboru Hatakeyama on Friday as vice MITI minister for international affairs, said at an inaugural press conference that he will take over his predecessor's straightforward stance in international negotiations.

"I will speak what I have to say and give ear to what I have to listen to," Okamatsu said.

Okamatsu expressed concern over growing doubts in Europe that the advancement of technology may cause unemployment, rather than economic growth. "Japan should wipe out such suspicions by new technology," he said.

At the same news conference, Hatakeyama stressed the need for an intense balanced sense to move forward the stalled Uruguay Round of multilateral trade talks. "If the Round collapses, credibility of a multilateral trade system would be threatened," Hatakeyama warned.

Hayashi Receives German Central Bank Head

*OW2206053093 Tokyo KYODO in English 0446 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—The head of Germany's central bank told Japanese Finance Minister Yoshiro Hayashi on Tuesday that his country is regaining fiscal health, ministry officials said.

Helmut Schlesinger, president of the Deutsche Bundesbank, told Hayashi during a courtesy call that Germany faced a budget deficit and inflation problems after the German reunification in 1990, the officials said. But Germany has since reduced the deficit and the inflation rate, Schlesinger said.

Hayashi told Schlesinger that the Japanese economy is expected to start recovering later this year, thanks to the government's additional pump-priming measures, the officials said.

Major Steelmakers To Boost Exports to PRC

*OW2106095593 Tokyo KYODO in English 0934 GMT
21 Jun 93*

[Text] Tokyo, June 21 KYODO—Nippon Steel Corp. said it and five other major Japanese steelmakers have reached agreement with the China National Metals and Mining Import and Export Corp. to more than double exports to China in the six months starting on August 1. The accord, on which negotiations began in early May, allows the Japanese steelmakers to supply up to 2.4 million tons of steel, roughly 2.5 times more than the same period a year earlier, Nippon Steel said.

The increase in volume reflects China's strong demand for steel products amid a construction boom, said Nippon Steel, which led the Japanese firms' negotiations.

The Japanese side also won China's consent on price hikes on all 11 major steel items, except tin plate, as the six firms are facing deteriorated earnings at home. The other five steelmakers are NKK Corp., Kawasaki Steel Corp., Kobe Steel Ltd., Sumitomo Metal Industries Ltd. and Nissin Steel Co.

Japan's steel exports to China have been on the rise since last December, with orders expected to total 39.3 million tons in the February-July period, a record for any six-month period.

Report on Front-Loading of Public Works Projects

*OW1806032693 Tokyo KYODO in English 0305 GMT
18 Jun 93*

[Text] Tokyo, June 18 KYODO—The government by the end of April had awarded a record 40.2 percent or 6,543.1 billion yen worth of its fiscal 1993 public works contracts, Finance Minister Yoshiro Hayashi said Friday. Hayashi revealed the figures at the day's cabinet meeting. The contract rate compared with 35.3 percent awarded a year earlier.

"The government's front-loading efforts are going smoothly," Hayashi told the cabinet meeting. The government has been pushing front-loading of public works projects as part of its economic stimulus plan announced in April.

Posts, Telecommunications Ministry Expands Aid

*OW1806111593 Tokyo KYODO in English 1025 GMT
18 Jun 93*

[Text] Tokyo, June 18 KYODO—The Posts and Telecommunications Ministry decided Friday to allocate more money this fiscal year for helping women and

children in developing nations from its special fund for Japanese volunteer groups working overseas.

The ministry will set aside a combined 834.21 million yen for volunteer organizations aiding socially weak groups in the current fiscal 1993 ending next March, up about 18 percent from the previous year. Other aid recipients include farmers seeking to acquire technological skills and refugees, who will receive 258.83 million yen and 251.92 million yen, respectively.

The assistance will come from the ministry's International Volunteer Savings, a system in which postal savers voluntarily contribute 20 percent of the interest income on their accounts. About 11.26 million savers were contributors to the fund by the end of May. The total charity for fiscal 1993 amounted to 2,185.63 million yen, down about 230 million yen from the previous year due to falling interest rates which resulted in lower yields for savers.

The funds will go to 185 organizations operating in 58 countries, including 20 Asian nations and 21 African states.

ODA Disbursement Over Next 5 Years Reported

*OW1906081193 Tokyo KYODO in English 0706 GMT
19 Jun 93*

[Text] Tokyo, June 19 KYODO—Japan will disburse between 70 billion and 75 billion dollars in Official Development Assistance (ODA) to developing nations over a five-year period to 1997, government officials said Saturday.

The fifth medium-term ODA target is part of a larger government plan to offer a total of 120 billion dollars in international financial contributions over the period, the officials said. They said both plans are expected to be approved by the cabinet on June 25 for presentation to the Tokyo summit of the Group of Seven (G-7) major industrialized nations in early July.

For the five-year period up to 1992, Japan's ODA disbursements reached 49.68 billion dollars, almost at the fourth medium-term target of 50 billion dollars.

The officials said the Economic Planning Agency urged the five-year target be set at 75 billion dollars, but the Finance Ministry supported a range of 70 billion to 75 billion dollars, considering foreign exchange fluctuations.

Ministry Approves Brokerage Units for 3 Banks

*OW1806042393 Tokyo KYODO in English 0400 GMT
18 Jun 93*

[Text] Tokyo, June 18 KYODO—The Finance Ministry told the Industrial Bank of Japan (IBJ) and two other banks Friday to make preparations for establishing brokerage subsidiaries, ministry officials said. IBJ, the Long-Term Credit Bank of Japan and Norinchukin

Bank—slated to be the first banks to start brokerage operations—will shortly get official permission to open securities businesses by the end of July, the officials said.

In April, the ministry deregulated Japan's financial system to allow banks, trust banks and brokerages to enter each other's turf through subsidiaries. The securities subsidiary of IBJ will be capitalized at 25 billion yen, that operated by the Long-Term Credit Bank of Japan at 15 billion yen, and Norinchukin Bank's at 15 billion yen, they said.

Rates Deregulated on 'Kijitsu-Shitei' Deposits

*OW2106065293 Tokyo KYODO in English 0138 GMT
21 Jun 93*

[Text] Tokyo, June 21 KYODO—Interest rates on time deposits were deregulated Monday as part of Japan's ongoing financial liberalization. The latest step marks the second to last chapter of the overhaul of the nation's interest rate systems which began in March 1985. The last phase—liberalization of ordinary deposit rates—is scheduled to be implemented next year.

Rates on all time deposits will be set freely by financial institutions at their discretion. So far, part of such interest rates have been determined in line with the bank of Japan's official discount rate.

Financial institutions will be allowed to freely decide the interest rates on their mainstay "kijitsu-shitei" time deposits for individual customers, which have previously carried regulated rates. Kijitsu-shitei are one- to three-year time deposits withdrawable at one month's notice after a deposit period of one year and carry annually compounded interest rates. Fixed-amount postal savings, which can be withdrawn freely after a deposit period of six months, will also be subject to the rate deregulations.

The latest decontrols also involve an end to the minimum account of 3 million yen for "super" large-lot time deposits with market-linked interest rates. The step means money market certificates (MMC) with half-deregulated rates, a transient financial instrument to help liberalize Japan's interest rate systems, will be abolished.

While the 3 million yen limit has been scrapped, financial institutions are expected to distinguish above-the-limit super accounts from smaller accounts, setting a slightly higher interest rate—probably by around 0.1 percentage point—for the former.

Financial analysts believe the freer rates on time deposits will not bring about immediate benefits for depositors, especially when interest rates are low, but will lead to stiffer competition among financial institutions. The analysts say that when interest rates are low the market rates tend to be below the regulated rates. Therefore, the liberalized rate on kijitsu-shitei means depositors will probably receive lower returns than before.

The analysts reckon, however, that depositors and savers will benefit when interest rates go up because institutions are expected to offer varied terms at such times. They say some may offer higher rates to obtain funds while others suppress rates for the health of their own finances.

Mieno Reiterates Economic Recovery Forecast

*OW2106084893 Tokyo KYODO in English 0629 GMT
21 Jun 93*

[Text] Tokyo, June 21 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno reiterated Monday his earlier prediction the economy will start picking up momentum in the second half of this fiscal year, but the recovery will be fragile.

Speaking at an annual conference of banks, Mieno also said the yen's recent sharp upswing will do more harm than good to the economy. He said some bright signs in the economy, like steadily declining inventories and improved business confidence, do not indicate an immediate upturn of the economy as both corporations and consumers remain tightfisted.

The economy should remain underpinned by public-sector demand and private-sector housing investments in the first fiscal half through September, Mieno projected, referring to massive public works expenditure required by the government's pump-priming packages. But at the same time, he said, "foundations are certainly building in the private sector for an autonomous recovery toward the latter half of the fiscal year."

The central bank chief ignored calls for further reductions in interest rates, saying the BOJ will "closely monitor" what effect the monetary and fiscal policies taken so far are having on the economy.

The official discount rate the central bank charges on lending to commercial banks stands at an historic low of 2.5 percent.

Business leaders are urging the bank to ease further the reins on credit as the yen's uptrend over the past few months has created ample room for it to do so.

Mieno saw the yen climb as "a chief concern for the economy for the time being. Considering that this is occurring at a time when the nation's economy is in a delicate phase and corporate finance is under heavy pressure, I think it important for yen rates to stabilize," he said.

Top Posts Reshuffled in Health, Welfare Ministry

*OW1806015493 Tokyo KYODO in English 0128 GMT
18 Jun 93*

[Text] Tokyo, June 18 KYODO—Health and Welfare Minister Yuya Niwa unofficially decided Friday to reshuffle the ministry's top posts, including promotion of director general of Health Insurance Bureau Teijiro Furukawa to vice minister, ministry officials said.

The sources said that from July 29 Furukawa will replace Vice Health Minister Takehiro Kuroki, who is retiring. Hiroshi Tada, director general of the ministry's Secretariat, will succeed Furukawa as head of the Health Insurance Bureau. Director General of the Pharmaceutical Affairs Bureau Nobuharu Okamitsu will be appointed head of the Secretariat. Kenji Tanaka, director of National Hospital Division will be named director general of the Pharmaceutical Affairs Bureau, the sources said.

Wakabayashi Picked as New Vice Labor Minister

*OW1806023693 Tokyo KYODO in English 0148 GMT
18 Jun 93*

[Text] Tokyo, June 18 KYODO—Labor Minister Masakuni Murakami has picked Yukinori Wakabayashi, director general of the ministry's Labor Relations Bureau, to become the new vice labor minister, government officials said Friday.

Wakabayashi will succeed Tsutao Shimizu, who will retire. Kunihiko Saito, head of the Employment Security Bureau, will then become Labor Relations Bureau chief. Saito's post will in turn go to Tokio Nanase, director of the Secretariat, and Noriomi Soya, councillor of the Secretariat, will take Nanase's office.

The labor minister also picked Haruki Matsubara, head of the Policy Planning and Research Department, as successor to retiring Kinji Ito, director general of the Human Resources Development Division. The appointments will take effect after being formally approved at a cabinet meeting next Friday, the officials said.

A graduate from the University of Tokyo, Wakabayashi, 56, joined the ministry in 1960 and has since held such posts as director general of the Employment Security Bureau and chief of the Labor Relations Bureau.

EPA Names Wakui New Deputy Vice Minister

*OW2106125993 Tokyo KYODO in English 1241 GMT
21 Jun 93*

[Text] Tokyo, June 21 KYODO—The Economic Planning Agency [EPA] on Monday chose Yoji Wakui, deputy director general of the Finance Ministry's Budget Bureau, as new deputy vice minister of the agency.

Earlier, the agency reached a tentative decision to promote Tsutomu Tanaka, vice minister for international economic affairs, to the post of vice minister to succeed Shunji Fukimbara, who will retire.

Takeshi Komura, outgoing deputy vice minister of the EPA, was informally named as deputy vice minister of the Finance Ministry.

The shakeup is subject to approval by the cabinet on Friday.

Home Affairs Minister Reshuffles Top Personnel

*OW2206042693 Tokyo KYODO in English 0324 GMT
22 Jun 93*

[Text] Tokyo, June 22 KYODO—Home Affairs Minister Keijiro Murata on Tuesday unofficially decided to replace retiring Fire-Defense Agency Chief Daisaburo Asano with Director General of the Local Administration Bureau Takahiro Kiuchi, ministry officials said.

In related personnel reshuffling, director general of the minister's secretariat Hiromasa Yoshida will become head of the Local Administration Bureau on July 1.

Deputy Director General for General Affairs Yasuhiko Endo will be appointed as director general of the minister's Secretariat, the officials added.

These personnel changes are scheduled to become effective on July 1.

Police: Rival Gangster Organizations Join Forces

*OW2106023193 Tokyo KYODO in English 0043 GMT
21 Jun 93*

[Text] Kobe, June 21 KYODO—Japan's biggest criminal syndicate, the Kobe-based 22,000-member Yamaguchi-gumi, has tied up with a rival gangster organization based in Kyoto, Hyogo prefectural police sources said Monday.

An agreement on the tie-up of the Yamaguchi-gumi and the 1,600-member Aizu Kotetsu was reached during a meeting at a posh Japanese restaurant in Kyoto last Tuesday, the sources said. Heads and senior members of the two yakuza groups—both are designated as criminal syndicates under the Antigang Law—attended the meeting.

The Aizu Kotetsu proposed the alliance with the Yamaguchi-gumi, the sources said. Struggles and minor troubles between subordinate organizations of the two yakuza groups occurred frequently in the past, they said.

Aizu Kotetsu's move is apparently aimed at self-preservation by avoiding rivalry with the Yamaguchi-gumi because the Kyoto gang has been experiencing difficulty raising funds following the enactment of the Antigang Law in March 1992, according to the sources. Enforcement of the law has made it harder for gangsters to get money through the usual channels of extortion, prostitution and drugs. Despite the new law, however, the Yamaguchi-gumi is still expanding the sphere of its influence, according to the National Police Agency.

Mongolia**People Optimistic Over Economic Reform Efforts**

*BK2006032293 Hong Kong AFP in English 0248 GMT
20 Jun 93*

[By Bruce Shu]

[Text] Ulaanbaatar, June 20 (AFP)—Three years after Mongolians embraced democracy and threw off the yoke of dependence on the Soviet Union, their nation is struggling to remake its economy on the model of its thriving market-oriented Asian neighbors. Mongolia's 2.2 million people have endured severe food shortages, lack of electricity and heat in the bitter winters, and a rising crime rate.

But with the worst of the economic shock therapy applied last month, government officials and Western donors express cautious optimism that the quiet revolution of 1990 will start to pay off for the people. "We are telling them the very difficult period is over," said Bataar, deputy director of the National Development Board in charge of macroeconomics.

"The inflation rate will be low for the rest of the year and we hope to see the economy expand instead of shrink in 1994," he said. Low inflation for Mongolia is anything under triple digits. Retail prices rose 320 percent in 1992 and 207 percent from January to June this year.

The local currency, the tugrik, has all but collapsed, losing half its value when the government floated it last month. Visitors to Mongolia get huge stacks of banknotes in exchange for their dollars. The tugrik's float was among the last of the shock reforms the Mongolian Government effected under agreements with the International Monetary Fund (IMF) and World Bank. Others included tariff cuts and price rises for housing, transportation and gasoline.

The price of freedom from Soviet dictates was the loss of the 30 percent of Mongolia's imports Moscow once supplied, and Mongolia's policymakers have learned quickly that they are under restraints of a different kind, this time from the aid donors of the West. The hardest lesson came in October last year, when, with an intense Mongolian winter looming, the IMF cancelled a 20 million dollar drawing because the government had failed to reach six out of seven reform targets.

"That's just how it works," said Wilhelm Nahr, the IMF's resident representative in Ulaanbaatar. "They learned the hard way, but they seem to have learned quickly." Mongolia survived the winter thanks to Japan's decision to redirect 20 million dollars in infrastructure development aid toward the petroleum imports.

The IMF and World Bank have worked out a new three-year structural adjustment program that will give Mongolia about 57 million dollars' worth of drawing rights. Mongolia needs 100 million dollars a year from the West just to purchase what it needs. Foreign aid was about 114 million dollars last year, which means the government is facing the deterioration of its Soviet-built infrastructure.

And then there is a further dilemma: The country, landlocked between Siberia and China, lacks a seaport, making exports inconvenient and expensive. Even so,

Mongolians look ahead to more prosperous times in an economy based on exports. "Mineral exports, especially gold, will be the major part of our economic growth," Bataar said. Although largely unproven and potentially expensive to export, Mongolia is thought to be rich in copper, coal and other non-ferrous metals such as tungsten.

Even the skeptics have dreams for Mongolia. "It's a huge, pristine country and they don't have to rely on mining," said Nahr, the banker of non-government organizations who is considered somewhat of a pessimist among Western experts and diplomats stationed here.

"If you look at New Zealand, you see a rich country that has gotten that way on livestock growing," he said. But he warned: "These economic transitions are more difficult than people anticipated. Look at Africa." "It will take half a generation," he said.

North Korea

NODONG SINMUN Marks Anniversary of Korean War

SK2506030493 Pyongyang Korean Central Broadcasting Network in Korean 0013 GMT 25 Jun 93

[NODONG SINMUN 25 June editorial: "Let Us Put an End to The History of Confrontation and Division and Advance Along the Road to Peaceful Reunification"]

[Text] Forty-three years have passed since the cannon's roar of war resounded on the Korean peninsula on 25 June 1950. The Korean war forced by the United States was the biggest and most fierce war since World War II in which millions of military troops of aggression and tremendous military equipment were committed and the most brutal means of war were mobilized on the narrow frontline.

The great leader Comrade Kim Il-song has taught: The Korean war was unprecedentedly miserable and brought to our people innumerable disasters and sufferings. However, the Korean people did not yield to this and unanimously rose up in heroic resistance against the armed aggressors under our party's leadership.

The hard-fought, fierce war which continued for three years was not only a showdown on which the fate of the fatherland hinges, but was also a most formidable trial for our young Republic and people.

Under the tested leadership of the respected and beloved leader Comrade Kim Il-song, the ever-victorious iron-willed commander and the great military strategist, our people and the People's Army rose up as one and unstintedly displayed their matchless gallantry and mass heroism to defend the fatherland. Thus, they honorably surmounted the trials of the war and achieved a historic victory.

Our victory in the fatherland liberation war was the great victory of the respected and beloved leader Comrade Kim Il-song's outstanding military ideology, strategies, and tactics and his chuche-oriented military operation method and commanding art.

Our people, by achieving the historic victory in the fatherland liberation war, demonstrated the inexhaustible vitality of our Republic and the people's democratic system and the invincible might of our people and the People's Army, who were firmly rallied around the party and the leader. Thus, they not only reliably defended the nation's dignity, sovereignty, and the gains of the revolution, but also defended peace in Asia and the rest of the world.

The 40 years since the shellfire of war ceased in Korea have been not only the history of epochal changes and creation which has on the devastated land of war outstandingly built the fatherland of chuche shining with self-dependence, self-support, and self-reliant defense and the popular masses-centered socialism of our own style which enjoys prosperity and grandeur, but has also been the rewarding days of the nationwide struggle to turn the armistice to a durable peace and to achieve the independent and peaceful reunification of the country.

During this period our party and the government of the Republic put forward most realistic and reasonable proposals and policies to achieve the country's peace and peaceful reunification and have made all possible sincere efforts for their realization. As a result of the active efforts of our party and the government of the Republic, the momentous event in which an agreement of reconciliation, nonaggression, and cooperation and exchange and a joint declaration on denuclearization of the Korean peninsula were adopted and effectuated took place between the North and the South in recent years.

However, the South Korean authorities have not shown any affirmative response to our active efforts for peace by still servilely following foreign forces, but have sought confrontation and division only. As a result, the implementation of North-South agreements has been in a state of stalemate [chongche sangtae] and North-South dialogue has been driven into a freezing state [tonggyol sangtae].

Building a free, peaceful reunified fatherland devoid of foreign forces' domination and enslavement and aggression and war is precisely our nation's common desire and the supreme task of the nation. If a war breaks out again on the Korean peninsula where the danger of war is always hanging, even the nation's existence will be in danger, let along the country's reunification.

Peace is the urgent and pressing task that the North and the South should resolve with priority for the sake of the country's reunification and the nation's peace.

To guarantee peace and realize peaceful reunification on the Korean peninsula, we should reject the attitude of

depending upon foreign force and we should realize the great unity of the whole nation under the principle of national independence.

National independence is a patriotic road which promotes coprosperity, coexistence, and the common interests of the North and the South and realizes peace and peaceful reunification of the country. The attitude of giving up national independence, of depending upon foreign force, and of confronting the same fellow countrymen in collaboration with foreign force is a self-run act, which puts the nation into disasters and gets foreign force to fish in troubled waters. This is a serious lesson that the past Korean war has given to our nation.

The tragedy of fratricidal war already took place once on the Korean peninsula. Since the war, durable peace and reunification has not been achieved and confrontation and division have lasted for 40 years. This has been attributed to the maneuvers of the South Korean anti-national forces who have followed foreign force by giving up independence.

Even today when the East-West confrontation structure has collapsed, the South Korean authorities have acted according to others' direction, have not given up the antiquated confrontation idea, and have served as a perpetrator for foreign force. This cannot but be a shameful act which goes against the demand of the times and the fellow countrymen's desire for reunification.

Through the North-South agreement, the South Korean authorities pledged before the nation that peace and peaceful reunification should be achieved on the Korean peninsula with the strength of national independence. Thus, they should give up the idea of depending upon foreign force, should assume the attitude of national independence, and should take the road to national reconciliation and unity, not antagonism and confrontation.

All Korean people are the main forces of national reunification. Each Korean should have his own responsibility and play a role as master in the struggle to achieve national reunification. The Korean people, born on this land, should never sit back and watch the national disasters and misfortunes so that the national division lasts and another war takes place in the rivers and lands of Korea extending three thousand-ri.

Realizing reunification in the 1990s is the unfaltering will of our nation. The great leader Comrade Kim Il-song, sun of the nation and lodestar of national reunification, worked out and announced the 10-point Program of Great Unity of the Whole Nation for Reunification of the Country—the great chapter for national unity. He has clearly elucidated the road for reunifying the fatherland by founding an independent, peaceful, and neutral unified state through the great unity of the whole nation based on patriotism and the national independent spirit.

All Korean compatriots at home and abroad, who love the country and the nation and desire reunification, should uphold the 10-point Program of Great Unity of the Whole Nation for Reunification of the Country—a national common landmark for national reunification. They should unanimously rise up to the struggle to found a pan-national unified state which can represent all parties, groupings, and all the members of the nation from all walks of life. By so doing, they should expedite reunification in the 1990s.

Out of the national independent position, if the current South Korean regime assumes the sincere attitude to genuinely resolve the issues concerning the national reunification, we will sit face to face with them without adhering to the past, open-mindedly discuss the issues concerning reunification, and will join hands with them to realize the cause of the national reunification.

At present the situation on the Korean peninsula is developing favorably for the realization of the cause of national reunification. By positively promoting the development of such a situation at any cost, we should create a phase which is decisively favorable for putting an end to the tragedy of national division and for realizing the cause of national reunification.

The South Korean authorities should not pay lip service to the issue concerning reunification but positively respond to our 10-point Program of Great Unity of the Whole Nation for Reunification of the Country. By so doing, they should demonstrate their will for reunification.

Even though many stumbling blocks and obstacles stand in the way of national reunification, our people have advanced under the banner of the great unity of the whole nation according to the principle of the national independence. Thus, the cause for national reunification will gain a victory without fail.

As long as there is the immortal chuché idea which brilliantly elucidates our future road, there is the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il who have led the people to a victory, there is the united people who uphold the party and the leader with loyalty and filial duty, our revolutionary cause is victorious and invincible.

No forces prevent the future road of our people, who are confident of their own cause and follow the road to independence, socialism, and national reunification directed by the chuché idea.

Upholding the slogans of the party Central Committee on the occasion of the 40th anniversary of the victory in the fatherland liberation war, all party members and working people should bring about a new upsurge on all fronts of socialist construction. By so doing, they should further bring into full play the superiority of the socialism of our own style and expedite the independent and peaceful reunification of the fatherland.

Anniversary Commemorated in Russia

*SK2506052093 Pyongyang KCNA in English 0411
GMT 25 Jun 93*

[Text] Pyongyang, June 25 (KCNA)—A meeting celebrating the 40th anniversary of the victory of the Korean people in the great fatherland liberation war was held at the University of Power in Moscow on June 20.

The speakers said the 40th anniversary of the victory in the war was a significant holiday of the Korean people and, at the same time, a common auspicious event for the world revolutionary people and that the Korean people's victory was a great victory of Comrade Kim Il-song's outstanding military idea, strategy and tactics, chuche-based war methods and commanding art.

They noted that over the past four decades after the war the Korean people had successfully built socialism centred on the popular masses and made great achievements in socialist construction under the wise guidance of the party and the leader.

Expressing full support to the "10-point programme of the great unity of the whole nation for the reunification of the country" and the proposals for the independent and peaceful reunification of Korea put forward by the great leader Comrade Kim Il-song, they stressed that Korea would surely be reunified by the efforts of the Korean people.

A letter to the great leader President Kim Il-song was adopted at the meeting.

On the occasion of this anniversary, lectures were given at halls in Budapest, a Korean book and handicraft exhibition was held in Varna, Bulgaria, and a meeting took place at the Mielec Branch of the Poland-Korea Association from June 9 to 16.

Asian Forum Held at Human Rights Conference

*SK2506103693 Pyongyang KCNA in English 1015
GMT 25 Jun 93*

[Text] Pyongyang, June 25 (KCNA)—An Asian forum of the World Human Rights Conference on Japan's war crimes in army sex slavery and the unsettled problem of "comfort women" in Asia was held in Austria.

Addressing the forum, the head of the delegation of the Korean measure committee on compensation for the "comfort women for the army" and the victims of the Pacific war said that the drafting of "comfort women for the army" was an extra-large, anti-human crime in which the then Japanese Government and military authorities gave orders to let the Japanese Army commit organised gang rape against more than 200,000 women of different countries of Asia and Europe, mainly Korean women, and institutionalize this as a state policy.

Noting that the Japanese Government, nevertheless, was evading full apology and compensation, he said:

"This is a mockery not only of the peoples of Korea and Asia but also justice and conscience of the world. The international community must never allow this."

"The question of the 'comfort women for the army' and victims of forcible drafting is a matter of grave encroachment on human rights that obviously contravenes international law. Therefore, the Japanese Government must not fail to fully and thoroughly investigate the facts, make public all the official documents, make apology in explicit terms and make compensations."

Victims from the DPRK, South Korea and the Philippines gave testimonies at the forum.

The statement adopted at the forum says:

We demand that the United Nations set up an effective institutional mechanism such as a permanent international criminal court which would investigate the crimes in reducing women to sex slaves for the army and punish the criminals.

We urge the World Human Rights Conference to deal not only with "present cases" of infringement upon the human rights of women, but equally with the "past" cases of sex enslavement for the army.

We demand that the Japanese Government stop confronting itself with the authority of the United Nations in dealing with this question.

We demand that the Japanese Government, first of all, make clear all the facts of sex slavery for the army forced upon hundreds of thousands of women in Asia and other regions, punish the criminals as Germany punishes the Nazi war criminals still today, make compensations to the victims and rehabilitate them on the basis of a sincere apology to them and take crime prevention measures such as the correction of history textbooks to let the younger generations know these crimes and erection of a cenotaph. [sentence as received]

We hold that Japan is not qualified for UN Security Council permanent membership since the Japanese Government refuses to bear full legal responsibility for the crimes of Japan.

Countries Have 'Duty' To Make World Democratic

*SK2506105193 Pyongyang KCNA in English 1022
GMT 25 Jun 93*

["It Is Noble International Duty To Make World Community Democratic"—KCNA headline]

[Text] Pyongyang, June 25 (KCNA)—To make the world community democratic is a noble international duty of all countries and nations going along the road of anti-imperialist independence and peace, a signed article of NODONG SINMUN today says.

NORTHEAST ASIA

The idea of making the international community democratic, clarified by the great leader Comrade Kim Il-sung in his historical speech "Non-aligned Information Services Must Contribute to the People's Cause of Independence" at the fourth conference of the ministers of information of non-aligned countries, correctly reflects the intrinsic demand of the world community and the requirement of the development of history, and it is an outstanding idea clearly indicating the important way of building a peaceful and independent, new world, the paper notes, and goes on:

The main demand in democratizing the international community is to ensure that each country and nation exercise their sovereignty on an equal basis in the international arena.

New international relations based on independence, complete equality, non-interference in other's internal affairs and reciprocity among countries, can be established when each country is true to the principle of mutual respect for sovereignty and does not allow its sovereignty to be infringed upon while not encroaching upon other's sovereignty nor doing act against it.

The principle of international justice and equality, too, is an important one which must be strictly observed for a democratic world community.

Only when each country adheres and is true to this principle is it possible to prevent such practices going against the democratization of the world community as a certain country demanding its privileged position in international relations or seeking domination over other country.

The application of "double standard" in dealing with international issues entirely contravenes the principle of international justice and equality. "Double standard" is, by origin, a tool for domination and intervention. If the international community is to be democratized, such illegal actions as the application of "double standard" must never be allowed.

Noting that the democratization of the world community can be achieved only through struggle against dominationism, the paper stresses: For a successful struggle against dominationism it is necessary for each country to firmly maintain an independent stand in external relations.

'Culprits' in South Must Be Held Accountable

*SK2406111693 Pyongyang KCNA in English 1013
GMT 24 Jun 93*

[“Sixth Republic’ Irregularities Must Be Liquidated: NODONG SINMUN”—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—The present ruling forces of South Korea are advocating “civilian government.” If it is true, they must liquidate the “Sixth Republic” irregularities and bring to the tribunal the

chief culprits, especially traitor No Tae-u, the principal culprit in the “Sixth Republic” irregularities, demands NODONG SINMUN today.

The author of the article titled “Abominable ‘Sixth Republic’ Irregularities Must Be Liquidated” says:

No Tae-u, the dictator of the “Sixth Republic,” committed numerous cases of corruption during his office.

Scores of cases of irregularities committed by No in league with his family and relatives, abusing government power were brought to light, causing a great public stir. Among them are the Suso land scandal, the political fund scandal, the “information service” land purchase scandal, the Seoul-Pusan express electric railway project scandal, the Seoul aviation scandal, the second mobile communication scandal and the methanol scandal.

The university entry exam scandal, the military personnel affairs scandal, the military buildup scandal, the pachinko scandal, the Tonghwa Bank scandal and other scandals which were brought to light with the emergence of the new “government” styling itself “civilian government” in South Korea are all large-scale irregularities related to the upper classes and privileged circles of the “Sixth Republic.”

Involved in the pachinko scandal is Pak Chol-on, a matrimonial relative of No Tae-u. The fabulous amount of foreign currency which the daughter of No Tae-u smuggled out of South Korea is related to the military buildup scandal.

The irregularities of the traitor No Tae-u, defy comparison with any one else. The number of extra-large scandals of No Tae-u during his five-year term of office is far larger than those of the “Yusin” dictator during his 18-year rule and the “Fifth Republic” dictator during his 7-year rule.

In order to root out abominable injustices, the “Sixth Republic” irregularities, their root cause, must be liquidated.

The liquidation of the “Sixth Republic” irregularities cannot be avoided or delayed.

The present ruling forces of South Korea talk about “liquidation of the unhappy past” and “judicial disposal without exception.” If they leave intact the principal offender of the “Sixth Republic” irregularities while dealing with the malpractices of his underlings, such “liquidation of irregularities” cannot be construed otherwise than a lie.

The present ruling forces of South Korean must set out on the liquidation of the “Fifth and Sixth Republics” irregularities in compliance with the just demand of the people.

South Urged To Stop 'Suppressing' Resistance

SK2406233993 Pyongyang Korean Central Broadcasting Network in Korean 0950 GMT 23 Jun 93

[Unattributed talk: "Traitorous Politics of the Civilian Regime Which Tramples the Aspirations of the Fighters of the June Resistance"]

[Text] The South Korean people staged the heroic June resistance six years ago. The resistance was waged across South Korea, and a total of five million young people, students, and people from all walks of life participated in the resistance.

The June resistance greatly shook the U.S. imperialists' colonial fascist rule over South Korea and taught one the lesson that if the popular masses rise up after being united strongly, they can win victory in the struggle against any violent aggressor or dictator.

However, the fighters of the June resistance failed to fulfill their desire to live in a new independent, democratic, and reunified country because of the conspiratorial maneuvers by the U.S. imperialists and their running dogs to maintain and extend the colonial military dictatorial regime.

A new regime that calls itself a civilian regime has emerged in South Korea. However, the situation has not changed. The South Korean authorities talk about civilian politics or reform. However, in reality, just like the fascist dictators of the Fifth and Sixth Republics did, they are carrying out toadyist, treacherous politics of relying on outside force and treacherous antinational, antidemocratic, and antireunification polities. Leaving intact such agencies for suppression and vicious laws of the Sixth Republic as the Agency for National Security Planning, the Defense Security Command, and the National Security Law, they are brutally suppressing the righteous struggle of the South Korean people who demand democracy and reunification. Also, they are talking with outside force but turning their back on their fellow countrymen and worsening the North-South relations. They have turned a blind eye to our 10-point program of great unity of the entire nation, which all the fellow countrymen welcome, and have not accepted the proposal for an exchange of special envoys of the top leaders of the North and South while presenting unjust preconditions.

The South Korean authorities blocked the North-South student talks in Panmunjom scheduled for 12 June by using guns and bayonets. They are even unhesitatingly making the provocative, absurd remarks that unless the so-called North Korean nuclear issue is resolved, they cannot shake hands with us, their fellow countrymen. This means that they expressed their position not to have dialogue with us or achieve reunification with us. This also shows that they are trying to get something from blocking the implementation of the North-South agreement and the joint denuclearization declaration under the pretext of our nuclear issue and from joining in the

imperialist reactionaries' offensives to stifle [apsal] our republic by taking some strong-arm measures [kangapchochi].

All facts show that the current South Korean regime which calls itself a civilian regime is an insubstantial [alsogiommun] regime that has no national independence just like its preceding military fascist regimes.

As long as South Korea remains a U.S. colony and as long as the antinational forces remain in power, the South Korean people's desire for social reform or the country's reunification cannot be achieved.

The South Korean youth and students and people again started the struggle on and around the 13th anniversary of the Kwangju popular uprising. This means that they were disappointed at the current regime's insubstantial [silsogommun] civilian politics or its propaganda about reform.

The South Korean youth and students and people will not lower their banner of struggle before they fulfill their historic desire for independence and democracy in society and the fatherland's reunification.

The U.S. occupation of South Korea is anachronistic and unjustifiable. The United States must discard its foolish dream of swallowing all of Korea by using South Korea as a forward base and withdraw its aggression forces and weapons of murder.

If the South Korean authorities truly intend to carry out civilian politics and make reforms, they must remove the U.S. forces and weapons of murder, which block national independent reunification; abolish the Agency for National Security Planning, the National Security Law, and other agencies for suppression and the vicious laws of the Sixth Republic; and immediately stop brutally suppressing the South Korean people who aspire to independence, democracy, and reunification. They must also sincerely accept our proposal for an exchange of special envoys of the top leaders of the North and South, which will open a new turning point in improving North-South relations and give the fellow countrymen a joy and hope for reunification.

Victory in the people's just cause is inevitable. The struggle by the South Korean youth and students and people to achieve independence, democracy, and reunification by reviving the indomitable struggle spirit of those who participated in the 19 April student revolution and the Kwangju popular uprising and the fighters of the June resistance is just and will win victory without fail.

Kim Il-song Meets Korean Visitors From U.S.

SK2406112593 Pyongyang KCNA in English 1031 GMT 24 Jun 93

[Text] Pyongyang, June 24 (KCNA)—The great leader President Kim Il-song today met Korean resident in the United States Son Won-tae and his companion staying in the homeland.

NORTHEAST ASIA

Present on the occasion were Kang Sok-song, director of the Party History Institute of the Central Committee of the Workers' Party of Korea, and officials concerned.

President Kim Il-song had a conversation with the guests in an atmosphere overflowing with compatriotic feelings.

He entertained them to a luncheon.

Supplementary Trade Protocol Signed With Belarus

*SK2506052293 Pyongyang KCNA in English 0421
GMT 25 Jun 93*

[Text] Pyongyang, June 25 (KCNA)—A signing ceremony for a supplementary protocol of the agreement on trade and economic cooperation between the governments of the Democratic People's Republic of Korea and the Belarus Republic and a protocol on the development of trade and economic cooperation between the DPRK State External Economic Affairs Commission and the State Committee of Foreign Economic Relations of Belarus was held in Minsk on June 21.

Present at the signing ceremony on the Korean side were the members of the delegation of the Supreme People's Assembly led by its Chairman Yang Hyong-sop, and on the opposite side were First Vice-President of the Supreme Soviet V.N. Kuznetsov, First Vice-Prime Minister Mikhail Myasnikovich and other officials concerned.

The protocols were signed by vice-chairman of the State External Economic Affairs Commission of Korea Hong Hak-su and First Vice-Chairman of the State Committee of Foreign Economic Relations of Belarus E.A. Marinch.

Kim Il-song Greets Mozambican President

*SK2406111893 Pyongyang KCNA in English 1027
GMT 24 Jun 93*

[Text] Pyongyang, June 24 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on June 23 sent a message of greetings to Joaquim Alberto Chissano, president of the Frelimo Party (the Mozambique Liberation Front Party) and president of the Republic of Mozambique, on the 18th anniversary of the independence of Mozambique and the foundation of the republic. The message wished the president and people of Mozambique greater success in the work for the stability and prosperity of the country and expressed the belief that the friendly and cooperative relations between the two parties, governments and peoples would grow stronger and develop continuously.

Kim Il-song Greets Slovenian President

*SK2406111993 Pyongyang KCNA in English 1028
GMT 24 Jun 93*

[Text] Pyongyang, June 24 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on June 23 sent a message of greetings to Milan Kucan, president of the Republic of Slovenia, on the independence day of the country.

The message expressed the belief that the relations between the two countries would develop favorably in the future.

Kim Il-song Receives Malian Envoy's Credentials

*SK2406112393 Pyongyang KCNA in English 1029
GMT 24 Jun 93*

[Text] Pyongyang, June 24 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, today received credentials from new Malian Ambassador E.P. [Extraordinary and Plenipotentiary] to Korea Kafougouna Kone.

Present on the occasion were Vice-premier and Foreign Minister Kim Yong-nam and an official of the Malian Embassy here.

After receiving the credentials, President Kim Il-song had a conversation with the ambassador.

Envoy Presents Credentials to Finnish President

*SK2506004893 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 22 Jun 93*

[Text] Choe Sang-pom, our country's newly-appointed ambassador extraordinary and plenipotentiary to Finland, presented credentials to Finnish President Mauno Koivisto on 18 June.

In the meeting, the ambassador conveyed the greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to President Mauno Koivisto. The president expressed deep gratitude for this and asked the ambassador to convey his greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, wishing them long life.

The president said that Finland values the friendly and cooperative relations with the DPRK and that he will make his utmost efforts to further develop these relations.

Envoy Presents Credentials to Nepalese King

*SK2506011693 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 22 Jun 93*

[Text] Yim Hoe-song, our country's newly-appointed ambassador extraordinary and plenipotentiary to Nepal, presented credentials to Birendra Bir Bikram Shah Dev, king of the Kingdom of Nepal, on 18 June.

In the meeting, the ambassador conveyed the greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to King Birendra Bir Bikram Shah Dev. The king expressed deep gratitude for this and asked the ambassador to convey his heartfelt greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, wishing them long life.

The king stressed that Nepal invariably supports the peaceful reunification of the Korean peninsula. He said that he hopes that the friendly and cooperative relations between Nepal and Korea would further strengthen and develop.

Kim Yong-sun Addresses Meeting on Historic Work

SK2506045593 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 23 Jun 93

[Text] A Pyongyang report meeting to mark the 20th anniversary of the historic work by the great leader Comrade Kim Il-song "Let Us Prevent National Division and Reunify the Country" was held at the Youth Central Hall on the afternoon of 23 June. Placed in the front of the meeting site were the portrait of the great leader of our party and people Comrade Kim Il-song and the portrait of the dear leader Comrade Kim Chong-il. Also put up in the meeting site were the slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]!"

Attending the report meeting were Comrade Pak Song-chol, member of the WPK Central Committee Political Bureau and vice president; Comrade Kim Yong-sun, alternate member of the Political Bureau and secretary of the WPK Central Committee; Comrade Chang Choi, vice premier of the State Administration Council; Chong Sin-hyok, chairman of the Chondoist Chongu Party Central Committee; Chong Tu-hwan, chairman of the Central Committee of the Democratic Front for the Reunification of the Fatherland; Kim Yong-ok, vice chairman of the Korean Social Democratic Party Central Committee; Paek Nam-chun, secretary of the Committee for the Peaceful Reunification of the Fatherland; and responsible functionaries of the power organs and working people's organizations, as well as the working people from various walks of life.

The report meeting began with the playing of the national anthem. Comrade Kim Yong-sun made a commemorative report at the meeting.

[Begin Kim Yong-sun recording] Comrades: Today we significantly commemorate the 20th anniversary of the presentation of the historic work "Let Us Prevent National Division and Reunify the Country" by the respected and beloved leader Comrade Kim Il-song. We commemorate it when all the party members and working people across the country are vigorously waging the struggle to create the speed of the general march of socialism of our own style upholding the slogan given by

the party Central Committee on the 40th anniversary of the victory in the fatherland liberation war, and when all the Korean compatriots at home and abroad are launching themselves vigorously into the struggle to expedite the country's independent and peaceful reunification with the great unity of the entire nation upholding the 10-point program for the unity of the whole nation for national reunification.

On this anniversary of the historic event, our people cherish deep in their hearts once again the justness and the indestructive viability of the five-point policy for national reunification which the great leader Comrade Kim Il-song—the genius of the revolution, the sun of the nation, and the lodestar of the fatherland reunification—put forth in his classic work "Let Us Prevent National Division and Reunify the Country," and are filled with the burning resolve to realize the independent and peaceful reunification of the country. [applause]

The classic work by the great leader, "Let Us Prevent National Division and Reunify the Country," was put forth at a very grave time when the confrontation between the reunification line and the divisive line was extremely acute in our country and the danger of perpetual national division was created anew because of the two Koreas plot of the splittists at home and abroad. As everyone knows, the extensive North-South negotiation policy put forth by the great leader Comrade Kim Il-song in his speech on 6 August 1971 enabled the North and the South to conduct dialogue and to announce the 4 July joint statement with the basic contents of the three principles of national reunification—independence, peace, and great national unity. This did away with the prolonged state of closure between the North and the South and brought forth a bright prospect for national reunification. All the people in the North and the South, encouraged by this, came to have high hopes for fatherland reunification, while the puppets' divisive anticommunist confrontation line was shaken to its foundations in South Korea. The South Korean puppets, flustered by this, further intensified the military fascist system at home, created tensions and confrontation in North-South relations, and followed the treacherous road of perpetual division, openly trampling down the three principles of national reunification pledged to the nation instigated by foreign forces.

The South Korean puppets raved that North-South relations entered the road of confrontation with dialogue instead of confrontation without dialogue and that the 4 July joint statement was nothing more than a piece of paper. Thus creating an artificial obstacle to the dialogue, they declared the notorious yusin fascist system and intensified the commotions for anticommunist confrontation and fascist suppression.

The South Korean authorities, dashing along the road of perpetual division and fascism relying on foreign forces, issued a so-called special statement in June 1973 making the two Koreas plot their set policy, thereby laying a grave difficulty in the future of national reunification.

The situation thus created urgently demanded that an active measure be established to prevent the danger of perpetual national division and to open the way to national reunification. At that juncture on 23 June 1973, the great leader Comrade Kim Il-song proclaimed the five-point policy for national reunification as a measure to resolutely crush the maneuvers of the splittists at home and abroad and open an epochal phase for national reunification. [applause]

The great leader Comrade Kim Il-song has taught: The five-point policy for national reunification we have put forward details the ending of military confrontation between the North and the South, the alleviation of tensions, the realization of diverse collaboration and exchange between the North and the South, the convocation of a great national meeting consisting of the representatives of the people from various walks of life and the political parties and public organizations of the North and the South, the implementation of the North-South confederal system by the single state name of the Confederal Republic of Koryo, and the entry into the United Nations with the single state name of the Confederal Republic of Koryo.

The five-point policy for national reunification which the great leader Comrade Kim Il-song proclaimed was a patriotic and nation-loving reunification formula precisely reflecting the yearning and will of all the Korean people who oppose perpetual national division and aspire for the country's peaceful reunification. It sets forth the clear way to and a firm prospect for national reunification, and it is an immortal militant banner which vigorously arouses all the Korean people toward the struggle for its realization. [applause]

The plan to end military confrontation and alleviate tensions which the great leader set forth in his five-point policy for national reunification is a reasonable policy which gave an answer to the most pressing and important question that arises in resolving the misunderstanding and distrust between the North and the South, promoting national unity, and realizing the country's peaceful reunification.

The plan to realize the diverse collaboration and exchange is the most realistic policy that enables the nation to connect its severed ties again and to promote the united development with the North and the South as one nation.

The plan to convocate a great national meeting consisting of the representatives of the people from various walks of life, political parties, and public organizations of the North and the South which the great leader set forth in his five-point policy for national reunification is the most reliable chuche-oriented reunification formula which enables our nation to resolve the country's reunification issue on its own in conformity with the will and demands of the nation by having the people of all walks

of life of the North and the South extensively participate in the pan-national patriotic work for national reunification.

The plan for the North and the South to implement a confederal system by a single state name which the great leader set forth in his five-point policy for national reunification is an original reunification formula which elucidates the ways to realize the country's reunification most expeditiously and most reasonably without partiality either to the North or the South [pukkwa name onupyonedo pullihajianke] under the condition where different ideologies and systems exist between the North and the South of our country. Reflected clearly here is the consistent patriotic position of our party and the government of our Republic to terminate the tragedy of confrontation and division between fellow countrymen and to realize reunification as soon as possible on the basis of national unity between the North and the South.

The five-point policy for national reunification elucidated by the great leader Comrade Kim Il-song is a most reasonable and realistic reunification policy that can be acceptable to everyone who loves the country and the nation because all of its provisions comprise a thorough patriotic and nation-loving stand and a fair and above-board nature. [applause]

The basic spirit of the five-point policy for national reunification is the reunification-oriented will to reject two Koreas and to achieve one Korea, that is, the patriotic idea, and the three principles for national reunification, which are the great common national program for reunification, are extensively embodied in this historic five-point policy. The five-point policy for national reunification in which concrete measures and methods for expediting the independent and peaceful reunification of the country are elucidated is a declaration of national salvation which has opened a wide road for the solution to the reunification question by dealing a stern blow to the two Koreas plot by splittists at home and abroad. It is also a great programmatic guideline which extensively reflects the whole nation's desire for reunification. [applause]

With the publication of the five-point policy for national reunification, the South Korean puppets' splittist 23 June special statement suffered a bitter blow as soon as it was made public to the world, and the splittist forces who were scheming to concoct the permanent division of our country were further isolated and rejected by all of the Korean people and the progressive people of the world. The five-point policy for national reunification is an immortal reunification program that can be presented only by the great leader Comrade Kim Il-song, the matchless patriot, the sun of the nation, and the lodestar of national reunification, who has led all of the Korean people to the sacred single road leading toward national reunification, devoting his whole life to achieving the country's independence and the nation's prosperity and worrying over national division since he embarked on

the road of the revolution, taking upon himself the destiny of the country and the nation. [applause]

In this significant meeting which celebrates the 20th anniversary of the publication of the great leader's historic work, I respectfully extend utmost glory and warmest thanks to the great leader Comrade Kim Il-song, who is wisely leading our people to the single road of victory and glory, with the infinite reverence and the mind of burning loyalty of all of the Korean people. [applause]

Comrades: A long time of 20 years has passed since the great leader Comrade Kim Il-song clarified the five-point policy for national reunification. However, we have not achieved a nationwide national independence nor have we removed the heart-rending pains of national division. Big barriers still exist on our people's future road for national reunification. It is indeed intolerable that our nation, which has been forced by foreign forces to suffer the tragedy and pains of division for almost half a century, lives today under the danger of war which may break out at any moment without achieving unity and reunification.

Confrontation and distrust between the same nation only benefit foreign forces who do not want our country's reunification. We should not victimize the basic interests of the nation by being toyed with by foreign forces and we should reject foreign forces' intervention with our nation's own strength and open the road of independent and peaceful reunification. Herein lies the basic ideology of the historic work, "Let Us Prevent National Division and Reunify the Country," that the respected and beloved leader Comrade Kim Il-song made public 20 years ago.

To expedite the independent and peaceful reunification of the country under today's situation, it is imperative for the entire nation to firmly unite.

The great leader Comrade Kim Il-song has taught:

It is the entire nation's unanimous demand and will to achieve national reunification after putting an end to the history of national division and confrontation that has lasted for almost half a century. The entire nation should realize a great unity in order to achieve the independent and peaceful reunification of the country.

The great leader's ideology to realize the nation's great unity embodies the ideology of national independence and reunification to realize the cause of national reunification with our nation's own strength by strengthening the main force of national reunification and enhancing the main force's role.

Based on his profound analysis of the essence of the national reunification issue, of the historic experience of the reunification movement, and of the demand of the current situation, the respected and beloved leader, who is the nation's sun and the lodestar of national reunification, prepared and published in person his immortal

historic work—the 10-point program of great unity of the whole nation for the national reunification—on 6 April. [applause]

The 10-point program of great unity of the whole nation for the national reunification is the banner of patriotic reunification which elucidates the most correct way that enables us to achieve the country's peaceful reunification at the earliest possible date with our nation's chuche-oriented strength. It is also a great charter of national unity which enables us to realize reconciliation and unity after putting an end to distrust and confrontation within the nation. [applause]

The nation's great unity is a basic precondition for the independent and peaceful reunification of the country. It is also an essential core of the independent and peaceful reunification of the country. For the entire nation to be in harmony and to realize unity is the very national reunification that we want. The basic requirement for national reunification is not a matter of procedure or method but the realization of the entire nation's genuine harmony and unity.

The North and the South together should firmly stick to the principle of national independence in order to expedite the country's reunification with the entire nation's united strength, holding high the banner of the 10-point program of great unity of the whole nation. Our purpose of trying to realize the country's reunification after putting an end to national division is to oppose subjugation to others, realize national independence, and live as one nation.

If any of us pursues his partisan interest within the nation by relying on outside force, it will only result in grave consequences that give a profit to outside force, harm the nation's common interest, intensify not reconciliation and unity among fellow countrymen but distrust and confrontation among them, and drive all the people into the havoc of a new war. This is the most serious lesson of our country's modern history in which each of them brought misfortune to [words indistinct] by bringing in the powers surrounding us. This is also another lesson given by the heart-breaking history in which the factionalists, completely infected with flunkeryism, were on a spree of destruction of the nationalist movement and the early stage of the communist movement by relying on outside force.

Today's situation keenly demands that we treasure chuche more than ever, maintain the principle of national independence, and encourage the entire nation's great unity. Reflecting our nation's heated zeal for reunification, the North and the South adopted and effectuated the Agreement on Reconciliation, Nonaggression, and Exchange and Cooperation, and the Joint Declaration on Denuclearization. The agreement and the joint declaration, however, failed to be operative and the across-the-board North-South dialogue entered a frozen state.

These developments happened because outside force and its follower, the South Korean authorities, stood in the way of the trend of the world, which was moving toward detente, and led the situation on the Korean peninsula to the brink of war under the pretext of our nonexistent nuclear suspicion in defiance of our consistent efforts for peace and peaceful reunification.

Originally, the nuclear issue was created on the Korean peninsula with the introduction of U.S. nuclear weapons into South Korea. Because of the conversion of South Korea into the largest nuclear base in East Asia, the nuclear threat to us has increased constantly and the nuclear issue has become increasingly serious on the Korean peninsula.

As everyone knows, our party and the Government of our Republic put forward the peace-loving policy concerning the conversion of the Korean peninsula into a nuclear-free zone a long time ago. They have exerted all efforts towards this end.

We even joined the Nuclear Nonproliferation Treaty in accordance with our peaceful nuclear policy and sincerely accepted repeated irregular inspections [koduptoenu pijonggi sachal] by the International Atomic Energy Agency [IAEA]. Throughout all of this, our will to denuclearize the Korean peninsula and our peaceful nuclear policy's guilelessness have been clearly confirmed.

At this juncture, the United States and South Korean authorities resumed the Team Spirit joint military exercise, a large-scale nuclear war exercise, against our Republic. Infringing upon the dignity of our Republic, they have forced us to accept the IAEA's special inspection of military facilities [kunsadaesang], which are not the object of nuclear inspection, while talking about so-called sanctions and pressure.

To safeguard the national interest and defend the safety of the people and the revolutionary achievements, the respected and beloved comrade supreme commander issued an order to the whole country, all the people, and the entire army to enter a semi-war state in order to deal with the grave situation prevailing on the Korean peninsula. Also, the Government of our Republic has taken a resolute self-defensive step to withdraw from the Nuclear Nonproliferation Treaty. This very just step reflects the firm will of our people who want to maintain the national dignity and sovereignty of the country, to safeguard and adhere to the popular mass-centered socialism of our own style they themselves have chosen, and to advance it.

The self-defensive step taken by our Republic has formed a great consensus among people throughout the world. The progressive people there warmly and unanimously support it.

The nuclear issue created on the Korean peninsula has originated in a U.S. policy of regarding the DPRK as an enemy. It is therefore clear that the issue cannot be

resolved without eradicating the root of hostile relations between the DPRK and the United States. No one can deny it.

The DPRK and the United States of America [mihap-chungguk] issued their joint statement on 11 June based on their discussions of policy issues to fundamentally resolve the nuclear issue on the Korean peninsula. After sincere [chinjihan] discussions between the two countries, the DPRK and the United States announced their joint statement featuring nonaggression and their respect for each other's mutual independence. Therefore, it has become the first joint statement providing relations between the DPRK and the United States. It is a historic event.

The announcement of the DPRK-U.S. joint statement has provided a basis for terminating nearly half a century old hostile relations between the two countries, and for fundamentally resolving the nuclear issue. Therefore, this will contribute to denuclearization on the Korean peninsula and to peace and security in Asia and in the rest of the world. [applause]

History and reality show that the secret that can brilliantly pioneer the nation's destiny lies precisely in adherence to the position of national independence, and that the way to the country's reunification and national prosperity also lies in it.

The South Korean authorities, however, are still following the earlier line of dependence on outside forces, failing to take an independent stand.

Since the recent announcement of the DPRK-U.S. joint statement, the current South Korean ruling forces have been adhering to the policy of dependence on outside forces even more than before, while crying for an international cooperation system probably because they feel some misgivings [pulangam].

This plainly shows that the South Korean authorities have no intent to solve the nuclear issue and other pending issues between the North and South, standing on an independent position. As their predecessors did, they recently put emphasis on foreign troops stationed in South Korea and their role and are now stirring up the war mood as well as depending on foreign forces more and more, saying that they will never shake hands with those who possess nuclear weapons, that they must assume a complete posture in preparation for a war, and the like.

Running counter to the tendency of the time, the South Korean authorities are now conducting the Ulchi 93 military exercise, a large-scale war exercise aimed at destroying fellow countrymen, all over the South Korean territories.

The divisionist forces that have betrayed their fellow countrymen to follow the policy of dependence on outside forces and the attitude of confrontation, will only be victimized for outside forces and ruin itself.

We have already demanded that South Korea abandon the policy of dependence on outside forces, express its will to have U.S. troops withdrawn from South Korea, permanently suspend the Team Spirit joint military exercise, and free itself from the U.S. nuclear umbrella.

To meet all these demands would be advantageous to South Korea itself. The South Korean authorities, however, have given no response to it until today, almost three month after we made the just demand.

Although we have proposed exchanging envoys of North and South Korea to implement the 10-Point Program of Great Unity of the Whole Nation and to discuss a reasonable method for solving the nuclear issue, the South Korean authorities are provoking us, saying that unless the nuclear issue is settled, other issues concerning South-North relations cannot be resolved. They also say that they will keep the national security law, an antireunification, fascist, evil law.

Today the South Korean authorities are brutally suppressing the patriotic youths, students, and people, who struggle for the peaceful reunification of the country, thus clearly showing their civilian fascist [munmin pasyo] nature, as the South Korean people say.

The South Korean authorities recently tried to arrest the student leaders who had telephone dialogues with the North's representative of the Pan-National Alliance of Youth and Students on charges of violating the National Security Law, stopped students from going to Panmunjom to hold North-South student talks, and are launching all-out suppressive offensives against the National League of College Student Organizations. This runs counter to great national unity and is an antipopular act that they committed by following in the footsteps of the military fascists.

The South Korean authorities must discard their antinational position to maintain close ties with outside force but distance themselves from their fellow countrymen. If the South Korean authorities truly aspire to achieve peace and reunification for the sake of the country and nation, they must shake hands with their fellow countrymen, not outside force, accept the 10-point program of great unity of the entire nation for the fatherland's reunification, and join in implementing the program.

The South Korean authorities must keenly realize the entire nation's aspirations and demands; abolish the National Security Law, which impedes national unity and reunification; dissolve the Agency for National Security Planning [NSP]; stop suppressing patriotic young people, students, and people who are struggling for independence, democracy, and reunification; and release political prisoners and all the other detainees.

Great national unity is a firm basis under which all the Korean people in the North and South and abroad can overcome the present difficult situation and achieve reunification and prosperity. All South Korean people from all walks of life and overseas compatriots must

unanimously join in the struggle to implement the 10-point program of great unity of the entire nation for the fatherland's reunification and, thus, make particular contributions to the fatherland's reunification and the development and prosperity of the reunified fatherland.

In hearty response to the 10-point program of great unity of the entire nation presented by the great leader and the party Central Committee's slogan issued on the 40th anniversary of the victory in the fatherland liberation war, all the people on the northern half of the republic must be strongly united around the party and the leader and more vigorously wage the noble struggle to carry out socialist construction and achieve the fatherland's independent, peaceful reunification.

Victory and honor are always ahead of our people who, upholding the great leader Comrade Kim Il-song and filled with a confidence in sure victory, are vigorously marching forward under the dear leader Comrade Kim Chong-il's outstanding and tested leadership. [applause]

Let us all be single-mindedly united around the party and the leader, uphold the banner of the chuche idea, and more vigorously struggle for the fatherland's independent, peaceful reunification and the complete victory of socialism. [applause] [end recording]

The report meeting ended with the chorus of the song "Korea Is One."

Yi In-mo Receives Consolatory Letters From Abroad

*SK2406115693 Pyongyang KCNA in English 1024
GMT 24 Jun 93*

[Text] Pyongyang, June 24 (KCNA)—Consolatory letters came to Yi In-mo, a former war correspondent of the Korean People's Army who is the incarnation of faith and will, from different countries.

Letters came from Chairman of the Uganda-DPRK Friendship Association David Kibirango, Secretary General of the Swiss committee for supporting Korea's reunification Martin Lotscher, Chairman of the Romanian promotion committee for supporting Korea's reunification Alexandru Mica, President of the National Press Club of Nepal Ram K. Karmacharya, General Director of the Ethiopia-Korea Omo District agriculture joint-venture company Yilmabeyene, General Director of the Ethiopia-Libya agricultural joint-venture company Teketsemakonen.

The letters say a man with such strong faith and will as Comrade Yi In-mo could never be found in any country.

The spiritual world of Yi In-mo, an indomitable man who fought in defence of his revolutionary principle, invariably trusting only the great leader and the party, spending nearly all his life in South Korean prisons, is a model for the world people who love peace and justice and will remain forever in their memory, the letters say.

They express the belief that the incarnation of faith and will will recover his health shortly amid the great trust and care of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and contribute to the struggle for the prosperity of the socialist motherland and national reunification. [sentence as received]

Factories Fulfill First Half-Year Plans

*SK2506102393 Pyongyang KCNA in English 1001
GMT 25 Jun 93*

[Text] Pyongyang, June 25 (KCNA)—The first half of the year plans were fulfilled before the set time at different factories and enterprises in Korea.

The August 9 factory overfulfilled the mining equipment production plan on all indices as of June 9.

During the time, the factory produced mining equipment and accessories 1.2 times over that in the same period of last year.

The Pyongyang metal building material factory which is producing building materials needed for 30,000 flats in the capital overfulfilled its plan for the first half of the year by 28 percent in five months and is now turning out building materials twice over the plan.

In Nampo Port, the cargo dealing plan for the first six months was fulfilled as of June 10 and the daily quota is being carried out at 110 percent these days.

The fulfilment of first half of the year plans was reported by more than 180 factories and enterprises in Pyongyang including the east Pyongyang machinery factory and Pyongyang nonferrous metal factory, the Songchon mine, the Hamhung physical prospecting machine factory, more than 270 factories and enterprises in North Hamgyong Province and many other factories.

KCNA Reviews 25 Jun Pyongyang Press

*SK2506052593 Pyongyang KCNA in English 0439
GMT 25 Jun 93*

["Press review"]

[Text] Pyongyang, June 25 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received Korean resident in the United States Son Won-tae and his companion.

The Malian ambassador to Korea presented his credentials to President Kim Il-song, report papers.

Papers print messages of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Joaquim Alberto Chissano, president of the Frelimo Party (the Mozambique Liberation Front Party) and president of the Republic of Mozambique, on the 18th anniversary of the independence of Mozambique and the foundation of the

republic and to Milan Kucan, President of the Republic of Slovenia, on the independence day of the country.

Papers report that the Iquitos University, Peru, awarded the degree of honorary doctor to the great leader President Kim Il-song and the degree of honorary professor to the dear leader Comrade Kim Chong-il.

According to NODONG SINMUN, works of Comrade Kim Chong-il have been disseminated and studied in different countries.

An article of the paper deals with the indefatigable, energetic efforts made by Comrade Kim Chong-il for the strengthening and development of the Revolutionary Armed Forces of Korea.

The paper conveys words of the South Korean people who hope to lead a happy life in a reunified country under the guidance of President Kim Il-song and Comrade Kim Chong-il.

A poem of Obo Teresa Mary, chief of the Group for the Study of the Great Chuche Idea of Comrade Kim Il-song of the Teachers of Entebbe Higher Middle School, Uganda, titled "Birth of the First Son of Paektu" is carried in the press.

Papers come out with editorials on the lapse of 43 years after a war was forced on the Korean peninsula by the United States.

"Revolutionary Spirit Is An Important Yardstick of Loyalty to the Party and the Leader" is the title of an article of NODONG SINMUN.

Econews of the press deals with new innovations effected by the working people in various fields of the national economy in production and construction for greeting the 40th anniversary of the victory in the fatherland liberation war with brilliant achievements and good crop conditions in South Hwanghae Province, a granary on the west coast.

NODONG SINMUN informs the readers that a ceremony to present DPRK books was held in Ghana.

Papers inform the readers that the Burundian president received the DPRK ambassador and protocols were signed between the governments of the DPRK and Belarus.

South Korean news columns of the press include reports that the youth and student department of the C.C. [Central Committee], the South Korean National Democratic Front (Hanminjon) published a manifesto headlined "To the One Million Students" in connection with the wild crackdown of the South Korean authorities on "Hanchongnyon" and more than 1,000 taxi drivers in Seoul staged a demonstration.

The U.S. imperialists and the South Korean puppets staged joint aerial war exercises against the North, says the press.

NODONG SINMUN reports that the triumphant return of Yi In-mo, a former war correspondent of the Korean People's Army, was hailed in different countries.

The daily comes out with an article calling for the removal of Kim Chong-pil, a chieftain of "Yusin", who committed indelible crimes under the notorious "Yusin" dictatorship.

Given in the press is an account of the Asian seminar of the World Human Rights Conference on Japan's war crimes in army sex slavery and the unsettled problem of "comfort women" in Asia held in Austria.

According to the press, ZHONGGUO QINGNIAN BAO of China published an article headlined "Start of DPRK-US Talks Is Good".

Papers observe the 18th anniversary of the independence of Mozambique and the founding of the republic. Given in the press are accounts of a meeting and a film show held in Pyongyang on this occasion.

"To Make International Community Democratic Is Noble International Task" is the title of a NODONG SINMUN article.

South Korea

Czech Republic, Poland To Close Embassies in DPRK

*SK2506053993 Seoul YONHAP in English 0527 GMT
25 Jun 93*

[Text] Seoul, June 25 (YONHAP)—Czech is to close its resident embassy in North Korea because of worsening relations, a South Korean Foreign Ministry official said Friday. Prague and Pyongyang have three staffers stationed in each other's country.

Poland intends to close its embassy in North Korea all together, this official said. Their relations fell apart after Pyongyang forced Prague off the Neutral Nations Supervisory Committee (NNSC), a four-nation board that oversees the Korean armistice agreement signed at the end of the Korean war.

Czech pulled out of the NNSC on April 10, after months of restrictions enforced by North Korea on its officials assigned to the NNSC. In retaliation, prague ordered 13 of the 16 North Korean embassy staff out of Czech. North Korea demanded Czech's pullout, insisting its seat in the NNSC was automatically nulled with the separation of Czechoslovakia. Pyongyang is yet to name a replacement for the vacancy.

Czech Foreign Minister Josef Zieleniec, currently in Seoul, said Friday that relations worsened even more after North Korea announced it was leaving the Nuclear Nonproliferation Treaty (NPT). "We have protested against North Korean approach to NPT, this even worsened our relations," Zieleniec told reporters. "But I hope

the North Korean Government will understand this is not the right kind of international behavior."

DPRK Envoy: U.S. Talks After Clinton Visit

*SK2506021393 Seoul YONHAP in English 0157 GMT
25 Jun 93*

[Text] Washington, June 24 (YONHAP)—North Korea said Thursday that it wanted high-level talks with the United States on its nuclear issue after President Bill Clinton's visit to Seoul in early July. Kim Chong-su, deputy chief of the North Korean Mission to the United Nations, told YONHAP by telephone that the meeting should be after Clinton visited South Korea in July.

He said Pyongyang and Washington had agreed to hold a follow-up meeting to their New York high-level talks in Geneva, with First Vice Foreign Minister Kang Sok-chu heading the North Korean delegation and Assistant Secretary of State for Political and Military Affairs Robert Gallucci representing Washington, as in the New York talks. Saying that he had not yet received any instructions from Pyongyang about the date of the follow-up meeting, Kim said it would be desirable from North Korea's point of view to hold the meeting after observing the Seoul-Washington summit. He added there was no hurry for the agreed-on Geneva meeting.

On the other hand, Washington has offered to hold the Geneva meeting next Monday, hoping to solve North Korea's nuclear issue before Clinton visits Seoul. Highly placed diplomatic sources say North Korea is trying to delay the talks. Kim said North Korea would raise the issue of the International Atomic Energy Agency's impartiality and demand permanent suspension of joint South Korea-U.S. military exercises, including the annual "Team Spirit" maneuver.

Kim Warns U.S. Against Concessions With DPRK

*SK2506082593 Seoul YONHAP in English 0752 GMT
25 Jun 93*

[Text] Hong Kong, June 25 (YONHAP)—South Korean President Kim Yong-sam has warned the United States against making further concessions in negotiations with North Korea, BBC television reported Friday. Kim, in an interview with the British Broadcasting Corporation, said that recent high-level talks between Washington and Pyongyang in New York "had provided some benefits to the North Korean regime... And I also do not think the United States should make any further concessions to North Korea."

North Korea was using delaying tactics to buy time, he said. Noting that residents of Pyongyang were conducting one-hour war drills each day and that North Korea recently test-fired a new missile over the East Sea, Kim said that North Korea was preparing for war. Kim said that given the South Koreans' vivid memory of the

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Korean war and the North Korean situation "I think we should prepare fully for the possibility of military conflict."

Seoul Urged To Pursue 'Firm, Basic' North Policy

SK2506064093 Seoul HANGUK ILBO in Korean
25 Jun 93 p 3

[Editorial: "Is There A Basic Policy Toward the North"]

[Text] It seems that the government's policy toward the North and its policy toward reunification are inconsistent. People are perplexed by the government's inconsistent attitude toward the North, for they hear of differences in opinion within the government as to whether we should take a tough or a moderate stance over the issue of the nuclear inspection of North Korea and getting North Korea to abandon nuclear weapons development. It is frustrating to see the government exchange 12 telephone messages of proposals and counterproposals for the resumption of dialogue with the North without a firm, basic policy toward them. We need to deeply examine how much longer we intend to lag behind while it appears as though the United States and North Korea are that much ahead of us in opening a channel for dialogue with the nuclear issue.

To conclude first, the government should set up a firm, basic policy regarding the issue of nuclear inspection and the resumption of dialogue so as to win the consensus of the people as soon as possible and regain the initiative for the discussion of pending issues between the North and the South.

The only progress, if any, in North-South relations since the launch of the new government has been the repatriation of Mr. Yi In-mo to the North. No doubt, inter-Korean relations have been frozen solid because North Korea rejected nuclear inspections and decided to withdraw from the Nuclear Nonproliferation Treaty [NPT]. The problem rested, however, in our basic attitude in coping with the North Korean rejection of nuclear inspections. We believe that we should have consistently maintained the principle of "we cannot engage in any cooperation in any field unless you settle the nuclear issue completely."

Despite the fact that North Korea's nuclear game is the most pressing problem hampering our reunification, South Korea appears to have become an outsider and onlooker in this issue. This is probably because the government underestimated or miscalculated the North's nuclear strategy, including its decision to withdraw from the NPT.

Our side assumed that tough U.S. pressure would ultimately induce North Korea to return to the NPT and respond to inter-Korean dialogue. Instead, using its nuclear card, North Korea succeeded in attaining enormous successes from its negotiation with the United States, such as the U.S. assurance of nonaggression,

respect for sovereignty, noninterference in internal affairs, and support for the peaceful reunification of the Korean peninsula.

When North Korea proposed exchanging special envoys for the discussion of summit talks in order to flaunt its desire for peace during negotiations with the United States, our side assumed an indecisive attitude, instead of taking a resolute stance on the principle of "the nuclear issue should be settled first." This was a mistake.

At any rate, since the issuance of the joint statement with the United States on the nuclear issue, North Korea has been bent on suddenly changing the curse words [yokchigori] it has used for nearly half a century from "sworn enemy" to that used when meeting an equal partner. In particular, need to be alert to the fact that the North's central broadcast stressed on 17 June that the nuclear issue should be settled in the U.S.-North Korean talks. North Korea is approaching the United States in order to isolate South Korea and ultimately seize the initiative for dialogue.

The United States and the North are discussing nuclear issues. Japan is agitated over the North's firing of its new mid-range missile, the "Nodong-1", and Israel is secretly negotiating with the North purportedly to prevent arms sales to Iran. We would like to ask the government how long it intends to remain an "onlooker" exchanging outdated arguments over the obsolete proposal for the exchange of special envoys for summit talks.

The approach to the reunification issue should not be made sentimentally or only with empty logic. We do not need a celebrity or an expert in dialogue with the North or in reunification efforts. From a long-term point of view, the shortcut is to forge calmly ahead as though laying bricks by securing the people's consensus. If we are firm in principle, tactics and strategy will be secondary.

The government needs to establish its basic attitude toward the North as soon as possible and then coordinate cooperation and role-sharing with the United States. We should no longer watch the discussion of inter-Korean issues take place over our shoulders or over our heads.

Clinton, Kim To Discuss Security, Trade Issues

SK2506070093 Seoul YONHAP in English 0637 GMT
25 Jun 93

[Text] Washington, June 24 (YONHAP)—Presidents Kim Yong-sam and Bill Clinton will focus on North Korea's nuclear issue and on bilateral security and economic issues between their two countries when they meet in Seoul on July 10, diplomatic sources said Friday. They said Clinton, concerned about the nuclear proliferation issue, would voice the need to denuclearize the Korean peninsula for the security and peace of Northeast Asia and express his firm will to solve North Korea's

nuclear issue during his first summit with Kim since their inaugurations early this year.

He would reconfirm the U.S. security commitment to South Korea, clarifying that his administration would not let up its security posture under any circumstances, they added. Rather than announcing a new defense strategy in Seoul, he would make firmer the existing bilateral security assistance system between the two countries and look forward to strengthening this system further. Deepening the friendship between these two new presidents alone would help improve the bilateral security system, they observed.

Even if the U.S. global strategy changed to "win-hold-win", that is to win one war, hold off the enemy in a second conflict and then finally defeat the second enemy, Clinton would explain to Kim that there would be no problem in the security of South Korea. The Clinton administration reportedly told a high-ranking South Korean security official during his recent visit to Washington that Washington was pursuing what may be called a "win-win" strategy to win two wars at the same time. As Clinton's visit to Seoul would mean his support of Kim's democratization and reform policy, there would emerge few conflicts of economic interest between the two countries in their Seoul summit, the sources observed.

Noting that even if the group of seven industrialized nations agreed to big principles of the Uruguay round trade talks in their Tokyo summit in early next month, they would certainly exclude the controversial agricultural issue from the agreement, they said it was highly likely that the Seoul summit would not raise the sensitive rice market opening issue. South Korea and the United States are seeking to change the Presidents' Economic Initiative into a regular dialogue for economic partnership for improved economic cooperation.

Environment Minister Meets U.S.'s EPA Chief

*SK2506022293 Seoul YONHAP in English 0129 GMT
25 Jun 93*

[Text] United Nations, June 25 (YONHAP)—South Korean Environment Minister Hwang San-song, visiting the United Nations to attend a meeting of the Commission on Sustainable Development, met with U.S. Environmental Protection Agency Chief Carol Browner on Wednesday afternoon. They agreed to effectuate at an early date the memorandum of understanding on cooperation between the two countries in environmental protection signed in 1987. The memorandum says both countries should sign a science and technology cooperation agreement before it is effective, and they have not done that.

Hwang and Browner agreed that both sides will exchange a new memorandum of understanding or will have working-level contacts for effectuating the present memorandum of understanding. Hwang met with Australian Environment and Sports Minister Ros Kelly on

Thursday morning and they agreed that their countries will have working-level contacts to exchange experiences on preserving the ozone layer and developing substitutes for chlorofluorocarbons.

Russia Delivers Korean War List to Seoul

*SK2406145693 Seoul CHUNGANG ILBO in Korean
24 Jun 93 p 2*

[Text] The Russian Government has recently delivered to our government a list of diplomatic documents relating to the Korean war.

The Foreign Ministry announced on 24 June that during Foreign Minister Han Sung-chu's official visit to Russia he paid a courtesy visit to the Kremlin on 8 June, and President Yeltsin gave him a list of hundreds of Russian diplomatic documents relating to the Korean war.

The list consists of 40 pages of notebook size covering the North Korean correspondence with the Soviet Union and China for 22 months between January 1949 and October 1950 when the Chinese Army intervened, as well as the roles played by these countries during the period, the Foreign Ministry said.

The list of documents includes Kim Il-sung's telegram to Stalin requesting the Soviet Army's intervention so as to start the Korean war, Kim Il-sung's visit to Moscow on 5 March 1949 to present a two-year war plan to Stalin, Kim Il-sung's meeting with Mao Zedong on his way back home, the background on the Chinese Red Army's intervention and details about Soviet assistance, and the background on the start of the armistice talks.

Vice Foreign Minister Hong Sun-yong said: President Yeltsin promised Foreign Minister Han that he will hand over copies of the diplomatic documents to President Kim Yong-sam when he visits Russia. The papers will reveal the truth about the Korean war and officially confirm the fact that North Korea started the war.

President Kim Yong-sam is expected to pay an official visit to Russia sometime this year.

Vice Minister Hong added: Most of the diplomatic documents on the list have been collected by General Dmitriy Volkognov, President Yeltsin's military aide. When we know the content of the diplomatic documents, we will disclose them to the general public.

Trade With China 'Likely To Cool Down'

*SK2406114393 Seoul YONHAP in English 1051 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—South Korea has so far enjoyed fast-expanding exports to China but prospects of future exports are not bright as China is likely to cool down its overheating business, a business source said on Thursday. The source said that economic instability characterized by an inflationary trend is feared to

escalate and the people's currency of China is likely to undergo continuous devaluation.

"Under the circumstances, China is expected to take steps to control these and other economic problems, which would seriously affect bilateral trade and Korean industries' investment in China," he said. South Korea's exports to China reached 2,650 million dollars in 1992, a rise of 164.6 percent over the previous year. In the first five months of this year, shipment to China totaled 2 billion dollars, up 155.4 percent over the same period of last year.

Trade balance showed a surplus of 530 million dollars in the January-May period. Up until last year, Korea registered chronic trade deficits with China.

Seoul, EC To Meet in Brussels on Upgrading Ties

SK2506090893 Seoul YONHAP in English 0832 GMT
25 Jun 93

[Text] Seoul, June 25 (YONHAP)—South Korea and the European Community begin talks next week on upgrading their relations to regular summit meetings covering political issues in addition to trade agendas, the Foreign Ministry said Friday. Seoul and the EC meet in Brussels on June 29-30 for "monitoring discussions" where Korea will propose signing a basic relations agreement, ministry officials said.

The EC has two types of accords with its trade partners—joint declarations, which it has signed with only the United States, Japan and Canada, and framework agreements, which it has signed with developing countries. The officials said it was not yet set which of the two Korea would conclude with the EC, but the agreement is expected to regularize summit meetings and widen the negotiation topic to political issues.

The monitoring discussions would cover pending trade agendas, chiefly Korea's lowering of liquor import tariffs, protection of intellectual property rights and auto exports to Europe. Seoul is likely to lower tariff on liquor other than whiskey from the EC while tough negotiations are ahead on the auto trade, according to the officials.

Korea now sells more cars in Europe than in the United States, approximately 100,000 a year. EC nations, concerned at losing the auto market to cheaper cars from Japan and Korea, are moving to impose import quotas. Son Chun-yong, assistant foreign minister, will represent the Seoul side. Gianluizi Giola, deputy director-general for external relations, is his counterpart.

Kim Yong-sam's Relations With Military Viewed

SK1906063393 Seoul SEOUL SINMUN in Korean
18 Jun 93 p 4

[Article by correspondent Kim Yong-man: "Invitation of Major Military Commanders to Chongwadae"]

[Text] "Now let us take off our clothes." Major military commanders were startled by the president's unexpected "order." The order to take off one's clothes to soldiers means to be discharged from service. The high-ranking general officers, embarrassed for a moment, began to take off their clothes while reading each others' faces. Then one of the president's assistants took off his coat, stating, "let us eat with our jackets off!"

A participant in the dinner party held at Chongwadae [presidential offices] on the night of 16 June for major military commanders said that the dinner thus began in an exceptional [pagyokchok] manner. In other words, the generals of the armed forces were at the dinner table in shirt sleeves before their supreme commander. They began to exchange pleasantries in a natural manner and their wine glasses were filled more than 12 to 13 times for toasts. Amid shouts of loyalty that resounded during the toast, the president of the civilian government and military leaders confirmed that they were of the same mind.

For both the president and military leaders, the dinner party that night was the first occasion to meet each other and exchange greetings. A Chongwadae spokesman, Yi Kyong-chae, described this meeting as "being held in a stiff and strained atmosphere at the beginning."

It was true and natural for military leaders to think that President Kim Yong-sam, who had merely shouted democratization, might have had the same outlook on the nation's security as that of those in opposition circles. They might have also thought that the president would have no affection for the military. As if having sensed this, the president himself also seemed to have felt awkward at first.

However, after the dinner, both the president and military leaders seemed to be greatly satisfied. The president confirmed that he enjoyed the unanimous loyalty of the military commanders and has the prerogative to the supreme command of the military while the military leaders confirmed that the president has "the traditional outlook on security" which is no less than that of any preceding president.

The first meeting between the president and major military commanders had proceeded in two stages—a reception and dinner party. During the reception, the president handed over a commander's baton made of birch to each commander. The commander batons that were given previously at Chongwadae had horsehairs on their edges. Regarding this, officers and men of the military silently protested, claiming "Are we horses?" Thus, the shape of the commander's baton was changed with the inauguration of the civilian government.

President Kim spoke highly of the military choosing only good words to describe it during the dinner in apparent consideration of the military leaders' concern about the president and of possible repercussions that might occur in the course of the military reverting to its original status. President Kim said: I visited the Reconnaissance

Battalion of the 5th Division last week and witnessed the army devotedly serving the nation as the army of the people, as well as the high morale of the soldiers and their strict discipline. The president of the civilian government gave the highest praise to the military.

Expressing trust in the military, the president said: The military is reliable, and this reassures me. He also revealed a conservative outlook on security, stating "it goes without saying that self-defense is important, and only those with strength can preserve peace." The president continued: Our ROK Armed Forces are being reborn in firm unity with officers who have the public's confidence like you do. I understand that all of you are respected and trusted by officers and men of the military not only for your outstanding ability but also for integrity. Thus, he expressed his affection for the participants. He then gave a nice present to the military, the representative conservative group: disapproval of revision of the National Security Law.

The strained atmosphere turned peaceful and harmonious after the president's expression of trust and praise and his suggestion that they remove their jackets. The participants burst into laughter when they saw that the Navy admirals were unable to take off their jackets because they were wearing only their underwear underneath.

Unstrained rice wine made in Pochon was served during the dinner.

Defense Minister Kwon Yong-hae, Joint Chief of Staff Yi Yang-ho, and Army Chief of Staff Kim Tong-chin proposed toasts.

Marine Corps Commander Yim Chong-nin also proposed a toast, shouting the slogan, "Loyalty!" He said emphatically: "Our Marines are ready to go through fire and water if the order is given." By the time the corps commander-level generals proposed toasts, rice wine had been served more than 10 times and jokes were exchanged.

Defense Minister Kwon told an anecdote about the protocol of arranging the seats. He said: The original order is Army, Navy, and Air Force. But the Naval chief was a three-star general while the Air Force chief of staff was a four-star general. I was at a loss for a moment but decided to give priority to the Navy.

In response, President Kim said: I could not promote a two-star general to a four-star general at that time. I am sure he will be promoted to a four-star general after a year.

Thus the president reaffirmed Minister Kwon's decision.

Naval Chief of Staff Kim Hong-yol told a story about his mistake during a change of command ceremony. He said: Because the Marine Corps also attended the ceremony, I should have addressed both the Navy and Marine Corps, but I said: "Dear fellow soldiers of the Navy." He said he wanted to apologize formally now.

Marine Corps Commander Yim asked the president to extend continued affection to the "everlasting Marine Corps soldiers."

Through the functions held that day, the president of the civilian government and high-ranking military commanders reached a feeling of mutual amicability. Chongwadae officials expressed great satisfaction with the atmosphere of the event that day.

Last Saturday [12 June] President Kim visited the iron-fenced area at the foremost frontline for the first time as president, thus expressing understanding and affection for the military. In this area, one can see the North Korean Army's outposts through a telescope, and one could even be injured by a sniper from the opposite side. Chongwadae officials stressed that President Kim's efforts to maintain close relations with the military as the president of the civilian government will continue.

BAI Questions Ex-Defense Security Chief of Staff

*SK2406113393 Seoul YONHAP in English 1008 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—The Board of Audit and Inspection [BAI] on Thursday summoned and questioned Chang Sok-kyu, a retired Army major general, on suspicion of his involvement in irregularities over the Yulgok arms procurement program. The BAI suspects that during his days as chief of staff of the Defense Security Command in 1987-1991, Chang received bribes from arms dealers and unduly applied pressures on military procurement officers in connection with the purchase of sophisticated military equipment from abroad.

Chang is now the president of the state-run Song-up Corporation, a real estate handler. A BAI official said, "We have many reports indicating that Chang received bribes from arms dealers and some defense industries."

It was also learned that during their look into Defense Ministry offices in the past 57 days, BAI officials obtained statements that the Defense Security Command had unduly had influence on overall aspects of the Yulgok project. On Wednesday afternoon, the BAI summoned an active Navy rear admiral and confirmed part of the suspicion that he had received bribes in the introduction of naval weapons, a source said.

Questions Former Air Force Chief

*SK2506045893 Seoul YONHAP in English 0248 GMT
25 Jun 93*

[Text] Seoul, June 25 (YONHAP)—The Board of Audit and Inspection (BAI), as part of its probe of the Yulgok force improvement plan, queried Former Air Force Chief of Staff Han Chu-sok about whether he had taken a bribe in connection with the Korean fighter program

Friday. The Air Force switched its choice of the next-generation fighter from the F-18 to F-16 when Han was Chief of Staff between September 1990 and September 1992.

BAI interrogators asked him why and how the change was made, an informed source said. The retired general was also asked about money found in his bank accounts. On Thursday afternoon, Chang Sok-kyu, a former chief of staff of the once-powerful Defense Security Command, denied most of the suspicions that he had exerted influence on the Defense Ministry in the course of the Yulgok project when he was Defense Security Command Chief of Staff.

No Tae-u Involvement in Fighter Switch Examined

*SK2406000793 Seoul HANGYORE SINMUN in Korean
23 Jun 93 p 5*

[Article by correspondents Kim Song-su and Yi Chu-myong: "New Aspects in Suspicions on the Fighter Project"]

[Text] Of suspicions in irregularities of the Yulgok Project (ROK Armed Forces combat capability reinforcement plan), suspicion in changing the type of fighter planes attracts great attention. It was revealed that former president No Tae-u was involved in changing the type of the fighter planes. Thus, whether he will be subject to the investigation of the Board of Audit and Inspection [BAI] has become the matter of people's interest.

The confidential document prepared by the Ministry of National Defense [MND] on 26 October 1990, which confirmed overall reexamination of the ROK fighter project, illustrates that reexamination of this project was pushed ahead with a view to, in actuality, changing the type of fighter planes, and that the one who ordered this was former president No Tae-u.

In order to comply with such an intention by former president No, the MND secretly dispatched Air Force Lieutenant General Yi Yang-ho, then third deputy chairman of the Joint Chiefs of Staff who is now the chairman of the Joint Chiefs of Staff, to the United States in a bid to sound out the reaction of the U.S. Government to changing the type of fighters from the already-designated F-18 to the F-16.

On 26 October 1990, an MND official went to Chongwadae (presidential offices) and made an interim report on the ROK fighter project to President No Tae-u, and received a directive from the president. The situation before and after this time would be an important key factor to resolving suspicions pertaining to changing the type of fighter plane.

Chong Yong-hu, then ROK Air Force Chief of Staff who insisted on selecting the F-18 irrespective of Chongwadae's intention, was discharged from active duty in

early September of the same year on the charge of being involved in irregularities in personnel management. As a result, Lieutenant General Han Chu-sok, who was the only advocate of the F-16 within the Air Force, was nominated to Chief of Staff.

Following this, Defense Minister Yi Sang-hun, a sympathizer for the F-18, was relieved from his post after being held responsible for the incident of Private First Class Yun Sok-yang, who exposed surveillance activities against civilians by the Armed Forces Security Command on 8 October. Yi Chong-ku was then appointed defense minister.

New Defense Minister Yi Chong-ku on 18 October received the first-hand report on the MND's fighter project. The relevant officials reported that problems raised in the budget plan due to the F-18's price increase and a decision should be made promptly as to the policy on contract. To this, Minister Yi directed them to prepare report materials on the fighter project for the president, stating that he will not comment on the already-designated F-18. Minister Yi on 26 October reported to the president that he will push ahead with the F-18, which was already decided on, to the possible extent. He then put forward a new three-point policy which the MND prepared and which stipulated that the number of fighters to be purchased will be reduced, the project period will be extended, and the quantities of materials for direct purchase will be increased. Thus, Minister Yi Chong-ku recommended to the president that the conclusion of a contract for the ROK fighter project that year be withheld.

To this, President No Tae-u suggested that "selection of the type of fighters should be reviewed" in addition to MND's recommendation. The president noted that "the F-18 was designated in the past under the assumption that the Soviet Union would continuously offer the MIG-29 to North Korea. But the situation has changed." Thus, he revealed his intention to favor changing the type of fighter to the F-16.

Former minister Yi said: "When the MND recommended that the project be put on hold, the recommendation was also intended to induce McDonnell-Douglas to lower its price on the F-18." In his report to Chongwadae at that time, former minister Yi thus made it clear that the MND had no intention to change the type of airplane.

The MND and the Air Force construed President No's remarks as an instruction requiring them to change the type of airplane to the F-16. Since then, they had evaluated the fighters in the F-16's favor while perfusorily restarting the evaluation of the F-18 and the F-16 from scratch.

A report by Yi Yang-ho, then third deputy chairman of the joint chiefs of staff on his visit to the United States is a good example of this. In his report, Yi said "The U.S. Government says if the ROK produces the F-16 jointly with the United States, it will not help the ROK save the

fighter project budget." He added: "The U.S. Government recommended the following two alternatives: The first one was to reduce the number of F-18s which the ROK would procure or to increase direct procurement from the United States; and the second one was to directly procure F-16s from the United States."

The ROK selected the F-16 on 29 March 1991, 5 months after it announced that it would reevaluate the ROK fighter project, thus bringing an end to the ROK fighter project.

Relevant military officials believe that in the process of reevaluating the fighter project, Kim Chong-hui, former senior presidential secretary for foreign and national security affairs, and Han Chu-sok, former Air Force chief of staff, were involved in a working-level task for the president's decision to select the F-16.

This belief is based on the fact that former minister Yi was on bad terms with former senior presidential secretary Kim. In particular, former minister Yi was allergic to the Chongwadae secretary group's intervention in decisions on national defense policies. Meanwhile, former senior secretary Kim and former chief of staff Han had been on friendly term for a long time. Two of them had been consistently behind the F-16 from the early stages of the project. These reasons provide a clue for them to presume that Chongwadae used former chief of staff Han's Air Force as a lever for changing the type of airplane.

Former minister Yi said in this connection: "I only followed the Air Force's and others' recommendations. Chongwadae did not say to me anything about its decision on the selection of the F-16. I, however, am not sure about whether our working-level team possibly discussed this with Chongwadae." He thus hinted at the possibility of collusion between former senior secretary Kim and former Air Force chief of staff Han.

President Orders Cutback of Police Service Period

SK2406115593 Seoul YONHAP in English 1134 GMT
24 Jun 93

[Text] Seoul, June 24 (YONHAP)—President Kim Yong-sam on Thursday instructed the administration to study reducing the compulsory service period of obligatory policemen from the present 28 months to 26. While taking dinner with 250 combat and obligatory policemen at the Seoul mobile police unit at Sindang-tong, President Kim said, "I have ordered the cutback of the service period as a means of enhancing the morale of the obligatory policemen."

There are about 32,000 obligatory policemen who are presently required to serve two more months than military conscriptees and combat policemen for the simple reason that they have volunteered for police service. A senior government official said the shortened period could be applied beginning with those joining the obligatory police service in the second half of this year.

Conscription-age youths can choose the obligatory police service instead of active military service.

Assemblymen Discuss Student Violence

SK2206125993 Seoul CHOSON ILBO in Korean
19 Jun 93 p 4

[By correspondent Yang Sang-hun]

[Text] As a result of policeman Kim Tae-to's death, the National Assembly Home Affairs Committee met on 18 June to discuss the reason students continue to stage demonstrations despite the disappearance of the dictatorial regime that had been their target.

Democratic Liberal Party [DLP] lawmakers basically understand that a pro-North Korean faction is gaining ground on university campuses. Students who lean toward communism have not struggled for democratization from the beginning, so DLP assemblymen believe that demonstrations will not stop even though democratization has been realized.

DLP Assemblyman Kim Yong-kwang said: "It is troubling to see that the chuche idea faction's doctrine is still alive in our country even when socialism has crumbled." He listed the following examples: The National League of College Student Organizations [Hanchongnyon] carried Kim Il-song's New Year's address; a big-character posters on Kim Il-song's 10-point program was put up at a certain university; and big-character posters on "Supreme Commander Kim Chong-il's order" were put up at some universities. Assemblyman Kim demanded that the government take a strong countermeasure, saying: "The government is very tough in the anticorruption drive. However, we doubt the government's desire and ability to deal with student violence."

DLP Assemblyman Pak Hui-pu said: "I belong to the generation that experienced the 19 April students' uprising and the 3 June movement against diplomatic normalization between the ROK and Japan." He added: "A clear line, however, was drawn between antigovernment and antistate." Assemblyman Pak thus hinted that the current student demonstrations transcend an antigovernment dimension and take on an antistate nature. He said: "The military fascist regime is gone. Why then do they repeat the past violent demonstrations?" He called for the government to take action, saying: "The government should deal rigorously with the violent demonstrations and show them that the present government is different from the past one."

Home Affairs Minister Yi Hae-gu feels same way. He said: "I do not regard all of Hanchongnyon as the chuche idea faction." He added: "We are examining very closely the leading force's pro-North line. In a telephone conversation with the North Korean side, Hanchongnyon agreed with it on the elimination of a South Korean environment that hinders reunification, including U.S. troops, the Agency for National Security Planning, and the Defense Security Command, and on reunification

via a confederation system of the North Korean style, while it did not make any remarks on North Korean environment that obstructs reunification. We cannot understand this." He also said harshly: "If they have pride as college students, they should have said something about North Korea's serious infringement on human rights."

Assemblymen from the Democratic Party [DP] had different views. Of course, they see that the chuche idea faction exists among students in universities. However, they also claim that the faction is very small and that those forces who were in power in the past regimes have exaggerated the existence of the faction.

DP Assemblyman Yi Hyop said that "communism has vanished in the world, failing to receive mankind's recognition in all areas of ideology, administration, and politics; the forces of such an old ideology would be minimal, if at all, on campuses," adding that "we should not exaggerate the acts of only a few students as if the chuche idea faction were rampant on campuses."

DP Assemblyman Yu In-tae, who was sentenced to death for allegedly being involved in the incident of the defunct Democratic Youth and Students League during the Yusin period, began his remarks by saying that "I am a man who was sentenced to death for an alleged involvement in a plot to overthrow the Pak Chong-hui regime under the manipulation of North Korea."

Assemblyman Yu In-tae noted that "the past regimes branded those who did not sympathize with the ultra-rightist logic as leftist elements." He criticized the past regimes for their use of the "red complex," saying: "So many members of the chuche idea faction have been produced this way."

Assemblyman Yu said that "our political system is still healthy and strong," claiming that "this proves that the past regimes' logic of branding those who did not sympathize with their ultra-rightist logic as leftist elements was an exaggeration."

Assemblyman Yu suggested that we should deeply reflect on student demonstrations. He seemed to be excited, and his voice trembled.

Assemblyman Yu said: "I realize that there are some students with a pro-North Korean ideology on campuses, whose advent was in the middle of the 1980's." He roared with anger, noting: "During their high school days these students saw the military men of this country, who had killed citizens in Kwangju and seized power, enjoying their power without resistance. The old generations have lived in humiliation without expressing their objection. They have endured to voice their frustration and anger toward this country. This eventually led to the advent of the chuche idea faction. All of us are responsible for this."

Assemblyman Yu's remarks seemed to touch on the deep root of the advent of the chuche idea faction. His

remarks seemed to personify the resistance that pro-North Korean students cherish in their hearts.

Assemblyman Yu's remarks suggested that the deep roots of the political discord of our country cast a reflection on the student demonstrations, that "pro-North Korea" was a changed form of the political discord, and that it was precisely "an ROK-style [hangukchok] political situation."

He also felt that it might be difficult for this ROK-style political situation to vanish instantly, like melting snow, on the present "stage of democratization" which is now unfolding. This might lead North Korea to miscalculate that there is still "a chance" for it.

Foreign Currency Reserves Exceed \$20 Billion

*SK2506005093 Seoul YONHAP in English 0023 GMT
25 Jun 93*

[Text] Seoul, June 25 (YONHAP)—South Korea's foreign currency reserves rose above 20 billion U.S. dollars for the first time on June 15, the Bank of Korea said Friday. The central bank tallied the reserves at 20.06 billion dollars, up 17 percent from 17.15 billion dollars at the end of last year.

The increase was attributable to the flow into the stock market of more than 2.6 billion dollars this year and to an improvement in the current account riding on briskness in export performance, the bank said. Portugal, Thailand and Sweden have reserves similar to Korea's with 20 billion dollars, 20.5 billion dollars and 18.12 billion dollars, respectively, the bank said.

Further on Hyundai Union, Management Dispute

Hyundai Precision Agrees To Return

*SK2506012093 Seoul YONHAP in English 0100 GMT
25 Jun 93*

[Text] Seoul, June 25 (YONHAP)—Unionized workers of Hyundai Precision and Industry Co. agreed Thursday night to return to work in a move likely to help ease tension in other affiliates of the Hyundai Group. After a lengthy and tiring internal debate, deputies of the union members agreed that the union would "return to work first and dispute later."

The decision reached at the deputies meeting will be put to a general meeting, or subsection meetings, of union members Friday morning for a review. Differences over "no work, no pay" policy of the company remains a major stumbling block to the negotiation but observers here, are optimistic that workers would not push further with their demands as they acknowledge the company has consented to many of their welfare proposals.

Hyundai Expects Jul Settlement

SK2506091893 Seoul YONHAP in English 0739 GMT
25 Jun 93

[Text] Seoul, June 25 (YONHAP)—Prospects for the resolution of labor disputes at Hyundai Group companies brightened Friday, and relations between management and unions are expected to stabilize by the end of July. Wage negotiations began at industrial companies about two months later than usual this year, but the rate of settlement is 47.3 percent, or nearly the number at the same time last year.

With the exception of Hyundai companies and the Daewoo Group, which is about to begin negotiations, companies belonging to the nation's 10 largest business groups are experiencing smooth sailing in their talks with their respective labor unions. Some 80 percent of them are expected to complete their pay talks within the next month, labor analysts say.

Industrial relations were worst last year, with disputes at many companies lasting until October. An average wage increase so far is much lower than the 4.7 to 8.9 percent agreed upon by the National Council of Labor Unions and the Korea Employers' Federation on April 1.

The result is seen as a sign on the part of workers to accept pain-sharing, which is one of the main features of President Kim Yong-sam's plans for building a "new economy." An early restoration of peace in management-labor relations this year is, of course, recast on the assumption that unionized workers at Hyundai Precision and Industry Co. return to work from their partial strike this week.

The union at Hyundai Precision and Industry Co. has agreed on 12 out of 14 disputed items as of Thursday. Union and management were expected Friday morning to discuss the two thorniest issues—wage increases and payments to workers on strike. But the union decided to return to work in any event by next Monday [28 June] while it was negotiating with management on those two issues.

When Hyundai Precision returns to normal operation on the principle of "work first and dispute later," analysts say, other Hyundai Group companies, especially core firms like Hyundai Motor Co. and Hyundai Heavy Industry Co., will go along with Precision. And when the Hyundai Group sorts itself out, it is highly likely the Daewoo Group will follow suit, the analysts say.

Labor disputes reached their peak in South Korea in 1987, when they totaled 3,749, but the number has steadily declined to reach 1,616 in 1989 and a mere 322 in 1990. Labor-management discord was reduced drastically this year after the inauguration of the civilian government of President Kim Yong-sam, the first in more than three decades.

As of June 24, the number of labor disputes was 60, or about half the number of last year, according to the

Labor Ministry. The number of reports to the government of labor disputes also declined with 442 cases, or 57.1 percent of last year. Under the Korean Labor Dispute Adjustment Act, labor unions must report on disputes to the government. The report is followed by a cooling-off period before the union begins an actual dispute, which can be strikes, sabotage or other actions.

Meanwhile, as of June 24, wage negotiations at 2,607 out of 5,511 industrial companies with more than 100 employees, or 47.3 percent, have settled their wage negotiations. The average wage increase was 4.6 percent, compared with the 9 to 10 percent increases of last year, lessening the burden of labor costs on company owners.

As for some 369 affiliated companies of the nation's 30 largest business groups, 220 companies have settled their wage negotiations, or 45.6 percent. The average wage increase for these companies was 3.2 percent, compared with 4.6 percent last year.

As these figures show, officials at the Labor Ministry say, the labor movement in South Korea is maturing and efforts by President Kim's administration to let unions and management conduct their own negotiations without official involvement are paying off. The officials say they hope that this year will mark a turning point for a mature and better industrial relations.

*** Support Seen for Small Businesses In New Plan**

932C0141A Seoul HANGUK KYONGJE SINMUN in
Korean 20 May 93 p 12

[Details of the government's small and medium Industries development plan under the new five-year economic plan]

[Text] Revamping of Policy, Support System

Support for individual enterprises will be based upon the voluntary growth effort on the part of the enterprises concerned.

Supportive measures dovetailed to each industrial peculiarity, including the system of support for promising small and medium-size businesses, will be readjusted with a view to integrating similar functions into specific categories step by step.

The system of technologically advanced small and medium enterprises will be integrated into the system of promising small and medium enterprises; and "the system of growth-oriented priority small and medium industries" will be instituted by combining the current system of technology-intensive small and medium industries and that of industrial categories designated for preferential development.

The current eight laws on small and medium businesses, including one for the development of small and medium businesses, will be reviewed wholesale so as to merge those having similar functions and purposes and simplify this set of laws.

NORTHEAST ASIA

Priority will be given to readjusting the duplicated targets of support between various small and medium business support funds, such as the structural readjustment fund and the support fund for starting businesses.

A plan is under study to merge the products development assistance program under the industrial development fund with the technological development promotion program under the structural readjustment promotion fund, and also to merge the program of promoting business starts and the starter assistance program under the structural readjustment promotion fund into one.

The current eight assistance programs under the small and medium business structural readjustment fund will be integrated into three during the latter half of 1993; and the size of the structural readjustment fund will be increased to the tune of 2 trillion won by 1998.

The duplicate, diversified financial support systems for small and medium enterprises will be streamlined; and various finances in support of small and medium industries will be integrated by function, with a view to enhancing their specialities and effectiveness. The standards for assistance will also be integrated. In addition, efforts will be made to develop small-scale banking facilities specializing in financial services for small and medium enterprises so that they may occupy a special niche in local communities centered on the local governments in their respective areas. The duplicate functions among supporting organizations such as the Small and Medium Industry Promotion Corporation [SMIPC] will be simplified, and the functions of supporting organizations will be reorganized so that they may specialize in specific functions.

Measures To Expedite Structural Improvement

A "project group for promotion of information-based small and medium industry" will be set up in the SMIPC in June to organize a coordinated system of assistance in factory automation and office automation.

The system of notification for technology-intensive small and medium industries will be improved with a view to commercializing developed technologies; and as a long-range goal, the system of notification for technology-intensive small and medium industries will be integrated into the "system of growth-oriented priority small and medium industries."

The plan calls for establishment of centers to look after fledgling entrepreneurs. Those reserve entrepreneurs who have technological and growth potential but who will face entrepreneurial risks at the initial stage once they open a business, will be admitted to these centers and allowed to stay until their businesses grow to a certain level. To this end, the care centers under the SMIPC and the Central Area Industrial Consulting Service will be operated as a model, and 11 additional similar centers will be established across the country by 1997.

The business inauguration fund will be increased from 100 billion won in 1992 to 500 billion won by 1998.

To vitalize the system of support for companies investing in starting business, different amounts of money from the investment fund for starters will be provided to each investment company serving starting businesses according to their track records of investment assistance in the past. Efforts will be made to expand the scope of investment companies serving starting enterprises through the expansion of their fields of operation and by differentiating financial assistance to them.

A certain amount of funding will be made available to all beginning enterprises, and those investment companies with capital exceeding a certain amount (between 20 and 50 billion won) will be allowed to engage in factoring and leasing operations also.

Enterprises belonging to the same category of industry will be encouraged to shift their line of business to products of promising marketability and those of the technology-intensive type.

Assistance will be given on a priority basis to the joint project undertaken by small and medium enterprises themselves to switch to other types of business. In instances where a business shifting plan is worked out for members of cooperative enterprises (of a small scale), and where enterprises with low competitiveness get together and make a joint investment to commercialize a developed technology, assistance will be given in these efforts on a priority basis.

Under the current system, assistance in transferring idle equipment overseas is limited to cases where the idled equipment is the result of the process of shifting to other industries. Under the new plan, however, assistance will be provided even when the idling equipment is shipped overseas as a result of the installation of automated equipment.

For the purpose of assisting small and medium industries in achieving their operational stability during the course of restructuring, the fund for mutual assistance of small and medium industries will be increased to the level of 600 billion won by 1998.

Strengthening of Technological Capability in Production

When a small or medium enterprise applies for guidance in technology, mainly the SMIPC will make a basic diagnosis, and according to the results, a specialized agency in each area will provide pertinent technological guidance.

To insure the speciality and effectiveness of guidance in technology, the Industrial Advancement Administration [IAA] (the Industrial Experimentation Board) will act as the overall supervisory organization; and the 30 guidance organizations throughout the country will each have specific areas of specialty, and yet build a system of mutual assistance. The IAA will draw up a national

technological guidance plan and appoint designated guidance organizations and commissioned guidance organizations so that it may consult them in working out and coordinating details of the technological guidance plan.

Each technological guidance organization will establish a "department in charge of technological guidance to small and medium enterprises."

The IAA will have an overall control over arrangements for equipment utilization and perform the following functions: building a system of mutual cooperation among agencies concerned; lowering and leveling off the testing fees; and exercising guidance and control designed to expand the utilization of equipment.

Of the 909 tasks to develop production-related technologies in the period from 1991 through 1995, 902 tasks, or 98 percent, will be implemented for the purpose of developing those technologies the lack of which is currently a common bottleneck to our small and medium industries.

To improve the government's procurement system, the period of projection under the "medium-range procurement projection system" will be extended from three years to five years, and emphasis will be placed on the results to be attained rather than on specifications in detailing the substance of projection. Items falling under the "general system of successful bidding" will be expanded to center on products by small and medium enterprises; and the government will improve its inspection practices oriented toward procurement at the lowest prices so that it may increase the purchase of items produced by using domestically developed technologies.

Cooperative Relations With Big Corporations

The list of products designated to facilitate an affiliation of big corporations with the groups of suppliers in their manufacture will be revamped so that it may center on those items which require technological division of labor between large corporations and small and medium enterprises, and for which financial support and tax benefits are offered.

The affiliation of secondary and tertiary supplier industries (an area in which much remains to be done to achieve business affiliation) with major corporations will be promoted in order to build a specialized production system to produce parts of major products.

Parent corporations will draw up an annual home-made products development plan to replace their major import items with home-made products through a joint development with their suppliers. Parent corporations and their suppliers will be induced to jointly undertake products development plans by linking the items of machines, industrial materials, and parts earmarked for domestic production to the list of items which will be produced through affiliation between parent corporations and their respective groups of suppliers.

The system requiring the compulsory submission of joint project plans will be modified in a rational manner so that only when there is a concrete intention to carry out a joint project, a plan may be submitted on a voluntary basis.

Practical assistance to approved joint projects, including financial assistance, will be expanded.

Parent corporations and their suppliers will each set aside a "supplier enterprise cooperation fund" in the form of a reserve, which will be spent for the joint development of technologies, the establishment of a joint computer network, and the securing of common facilities.

A certain percentage of this reserve fund will be exempted from the cooperate tax or the income tax. To facilitate affiliation with the parent corporation, the guarantee procedures will be simplified by standardizing the documents necessary for providing guarantees.

Offering of security will be facilitated by applying different rates of guarantee money according to the creditworthiness of enterprises concerned.

While minimizing the side-effects of big corporations' capital participation in small and medium industries, capital participation will be promoted so that it may become a practical link in effecting cooperation between large corporations and small and medium enterprises. Separate standards for approval will be instituted aside from the standards used by the Fair Trade Commission in approving capital participation. Capital participation will be encouraged so as to promote joint products delivery by large corporations and small and medium enterprises.

The upper limit to large corporations' capital participation in industries that produce items designated for manufacture through an affiliation between large corporations and small and medium enterprises will be gradually raised in consideration of the peculiarities of each industry.

To promote technical guidance and technology transfer, each parent corporation will be encouraged to establish a technology service company for supplier firms or set up and expand a body charged with providing technical support to these firms.

To assist large corporations operating assembly plants overseas in procuring parts in the field, small and medium-scale parts producers will be encouraged to accompany these corporations overseas so that they may expand their operations overseas.

The Korea Federation of Small Business [KFSB] and the Federation of Korean Industries [FKI] will organize and perform a joint intermediary function in transactions between parent corporations and their affiliated small and medium enterprises.

The feasibility for establishing independent "supplier industry advancement centers" will be studied.

A "voluntary mediation committee" will be established for each industry with the joint participation of parent corporations, mainly those large corporations with a large volume of parts procurement, and their affiliated supplier firms.

Administrative guidance will be strengthened to have parent corporations pay the discount fees as required when bills are cleared. Cooperation among concerned agencies will be strengthened to work out advance preventive measures against unfair trade in time of economic recession.

When general banking facilities appraise the creditworthiness of loan applicants, or when surety companies screen the credit standing of bond applicants, these fiduciary organizations will reflect the applicants' cooperative relations with large corporations in their credit appraisals.

Expansion of Organized Cooperation

Efforts will be made to organize small and medium entrepreneurs and promote the inauguration of new cooperatives.

Existing manufacturing cooperatives will be regrouped into cooperatives by product or by industry in order to promote the specialization and division of cooperatives. Cooperatives on a national scale will be reorganized into local cooperatives to take advantage of the merits of local organizations, such as the easiness in organizing joint economic activities and the homogeneity of each locality.

The ratio of participation in cooperatives will be increased by cultivating a sense of community through mutual support and mutual assistance, enhancing the self-supporting capability, and strengthening guidance and service for cooperative members. The propensity to excessive competition will be curbed and the competitiveness enhanced by achieving an optimum scale of business through merger of enterprises.

When a merger takes place between enterprises which are included in the list of business categories (currently 147) in which merger is encouraged, the merging firms are entitled to various tax benefits, such as the exemption of the capital gains tax, the special surtax, the registration tax, and the acquisition tax.

These categories will flexibly adjusted in the future according to the economic condition prevailing at a given time, for instance, by adding to the list the native industry types, the industries whose ban has been lifted, the industries which are flooded with the entries of small entrepreneurs, and the industries with low competitiveness, while eliminating the industries which face an ever declining demand.

In the allocation of policy-based funding, such as the structural readjustment fund, priority will be given to support for joint undertakings by small and medium enterprises, such as the establishment of joint research and development facilities, the joint introduction of technologies, the development of trial projects for sharing technologies, and the development of technologies.

Real estate used in cooperative projects will be exempted from the local tax, and the development levy will be reduced by 50 percent on projects for creating cooperative industrial estates.

The plan for the relocation and grouping of pollution-generating industries (the tanning, plating, dye, casting, and paint industries) will be pushed on a sustained basis. To vitalize the functions of cooperatives through an expansion of joint cooperative projects, efforts will be made to promote joint production and joint processing, joint testing and inspection, and the use of pollution control facilities, while lowering the cost of production and increasing productivity through the use of employees charged with joint obligations.

The cost of distribution will be reduced through joint packaging, joint processing, joint storage, and joint transportation. The internationalization of small and medium industries will be promoted through their participation in exhibitions in overseas markets and through joint export and joint overseas investment. The existing range of support for cooperativization projects centering on support for plant construction will be expand to include support for the construction of joint automated warehouses designed to lower the distribution costs for small and medium enterprises.

As an initial step, a joint collection and distribution center will be established in the capital zone and additional centers will be established in key traffic centers in five different regions by 1997.

Plans are under study to push the establishment of collection and distribution centers in conjunction with the construction of other related facilities such as cargo terminal complexes and to foster the specialized pallet leasing business.

Structural Improvement in Anticipation of Liberalization

The list of small and medium industries considered as uniquely indigenous has been gradually reduced, with 58 industrial categories, including steel pipes and electric poles, to be removed from the list as scheduled beginning 1 September 1994.

Of the present 237 categories, 179 will be removed from the list step by step leaving only 58, considering their product and industrial peculiarities.

Through business transfers to small businesses to large corporations and affiliation of small businesses with large corporations, efforts will be made to promote

cooperation between large corporations and small and medium enterprises and specialization among different enterprises.

The free group contract system will be improved, and a system of limited competition among small and medium enterprises will be introduced.

Only those enterprises which maintain product quality above a certain level will be qualified to participate in transactions on items procured through free group contracts. Procurement orders will also be allocated to those members of the qualified groups who offer favorable terms of delivery and goods of excellent quality.

Specialization and competition will be introduced by limiting the qualifications for participating in procurement made through free group contracts. An association member will be allowed to participate in government procurement only when his ratio of specialization in a particular item in the list of goods designated for purchase through free group contracts exceeds a certain level.

The list of items purchased through free group contracts will be shortened gradually, and those items on which support for small and medium industries has proved ineffectual, or in which small and medium enterprises have a competitive edge, will be removed from the list. When an application is filed for a new designation, designation will be made only when it is determined that such designation will be equally beneficial to the majority of small and medium enterprises and that it will greatly help the industry.

An "export 'incubator' project" will be launched to provide various assistance—such as counselling on trade and giving information on overseas market exploration—to those small and medium enterprises which have just opened business or which have begun exporting goods for the first time until their export volume reaches a certain level. Overseas KOTRA trade centers will be used as a sort of branch of small and medium industries to explore overseas markets for them.

The functions of the KOTRA's "center for supporting exports under each company's own label" will be strengthened to assist small and medium enterprises in expanding the export of goods under their own labels or under joint labels. The government will also assist small and medium enterprises in developing their own labels or group labels.

More "permanent Korean products exhibition and sales centers" will be established to assist small and medium industries in exploring overseas markets for their products. The number of sales centers will be increased to 33 or more by 1997 from nine at present.

To expand the information network aimed at vitalizing overseas investment by small and medium enterprises, the information collection functions of the SMIPC, KOTRA, and others on overseas investment opportunities for small and medium industries will be strengthened, and a system will be established to expedite information exchange among interested organizations.

With the "counselling center on industrial damage" under the KFSB leading the van, the industrial damage relief functions of cooperatives in each small and medium business will be expanded and better organized. At the same time, measures will be taken to brace for anticipated market opening.

The effectiveness of relief measures for industrial damage will be improved.

Fostering Local Small and Medium Industries

The localities which have currently been developed into industrial estates in cities and provinces, or the localities into which industries will be introduced in the future on a priority basis under the basic plan for industrial positioning, will be set aside as "priority localities for development of local small and medium industrials."

Factories newly built in any of these priority localities will be exempted fully from the income tax or the corporate tax for five years on their earnings generated from their products. Investments in new equipment and expenses for technological and human resources development in these localities will be tax-deductible twice as much as the amount allowed under the current tax exemption law. In addition, small and medium enterprises moving into these priority localities will be entitled to a tax deduction under the current tax exemption law because they will be regarded as enterprises relocated from the capital zone regardless of where they were located before.

As a measure to have technical personnel settle down in local areas, workers belonging to small and medium industries in priority localities will be given assistance in obtaining stable housing, and small and medium enterprises in these priority areas will be designated on a priority basis as enterprises whose employees qualify for exemption from military service.

Research personnel belonging to small and medium industries which participate in a local cooperative technological development program will be regarded as research personnel in the list of occupations exempted from military service as special cases.

Banks specializing in dealing with small and medium enterprises, and secondary banking facilities in local areas will step up support for small and medium industries and induce them to settle down in local areas by offering substantial credit guarantees for small and medium enterprises moving into local areas and newly organized local enterprises.

NORTHEAST ASIA

A "special measures law on fostering local small and medium industries" will be enacted to provide the legal ground for establishing a system for fostering local small and medium industries, selecting localities for the priority development of small and medium industries, promoting technological and human resources development in local areas, and expanding fiscal and financial assistance in efforts to foster local small and medium industries. This law, which will expire in 10 years, will evoke active response from local small and medium enterprises and be able to cope with changing economic conditions in a flexible manner. In drawing up small and medium industry development plan, each city and province should give priority consideration for small enterprises.

Assistance will be given to cooperative projects, such as apartment-type factories, joint collection and distribution facilities, and joint exhibition facilities, with priority given to small-scale enterprises in local areas. Rental industrial complexes will be built in major industrial estates or in their neighborhood to locate small-scale enterprises. Each city and province will designate urban-type industries in a flexible manner in order to make it easier for small-scale enterprises to set up factories in the city and help small businesses stand on their feet.

In keeping pace with improvements in the industrial structure, the government will provide assistance to more than 300 selected promising small-scale parts manufacturers, and promote affiliation and specialization for secondary and tertiary supplier enterprises made up mainly of small-scale businesses.

Burma

Peasants, Workers Delegates Continue Discussions

BK2406091593 Rangoon Burma Television Network in Burmese 1330 GMT 23 Jun 93

[Text] Groups of National Convention delegates representing peasants and workers continued their panel discussions this morning and afternoon in their respective meeting halls in the Kyaikkasan Grounds, Yangon [Rangoon].

The group representing peasants held its panel discussion on the prescription of the fundamental principles of the state at 0930 this morning in Meeting Room No. 7. U Kan Nyunt of Khamti Township, Sagaing Division, chaired the meeting and U Thant Zin acted as secretary of the meeting.

U Shwe Hla of An Township, Arakan State; U Thein Maung of Buthidaung Township, Arakan State; U Mya Aye of Kayan Township, Yangon Division; U Sai Nu of Kunhing Township, Shan State; and U Aung Chit of Ngaputaw Township, Irrawaddy Division participated in the discussions. The meeting ended at 1050 after appointing a group to write a report and after deciding to resume the meeting at 0930 on 5 July.

The group representing workers held its panel discussion on the prescription of the fundamental principles of the state at 1230 today afternoon in Meeting Room No. 6. U Soe Maung of Chauk Township, Magwe Division, chaired the meeting and U Khin Maung Win acted as secretary of the meeting.

The meeting ended at 1255 after the following delegates participated in the discussions: U Kyaw Hlaing of Mergui Township, Tenasserim Division; U Than Myint of South Dagon Myothit Township, Yangon Division; and U Sun Luk Naw of Myitkyina Township, Kachin State.

Spokesman: Delegates Favor Presidential System

BK2406132293 Hong Kong AFP in English 1233 GMT 24 Jun 93

[Text] RANGOON, June 24 (AFP)—The majority of delegates at Burma's on-going constitutional convention agree that the country should have an executive presidency and a bicameral legislature, an official of the military government said this week.

Junta spokesman Colonel Ye Htut also told a press conference here Wednesday that Burma would have a multi-party democratic system and the country will have 14 regions of equal status, all with their own legislatures. But he said the country would not enjoy the type of democracy it had in the period between independence from Britain in 1948 and the beginning of military rule in 1962. That would just lead Burma back to square one, he said without elaborating.

The suggestions, including that of a presidential system, were put to the convention when it resumed on June 7, and delegates were currently discussing the proposals, he said.

Exiled critics of the junta have dismissed the constitutional convention, which first convened January 9, as a thinly-disguised "sham" aimed at indefinitely prolonging military domination of the country.

The hundreds of delegates invited to the meeting, many of them hand-picked by the junta, have been told that the military must be guaranteed a leading role in any future political system. Burma has been under military rule since a 1962 coup ended 14 years of democratic rule.

Touching on other subjects, Ye Htut said the annual average production of opium in Burma was estimated at around 380 tons. Western anti-narcotics officials estimate Burma's production of opium has been steadily increasing over recent years and more than 2,000 tons of the narcotic is produced annually. Burma would welcome external drug suppression and eradication assistance, Ye Htut said.

The United States, which had supported Burmese anti-narcotics efforts suspended all official aid, including drug-suppression assistance, after the 1988 suppression of mass pro-democracy demonstrations by the military.

Ye Htut also told reporters that Burma did not have a refugee problem. The flood of hundreds of thousands of Burmese Muslims to Bangladesh was an immigration problem while the flight of more than 70,000 people to Thailand was a problem of insurgency, he said.

Answering questions on Burma's economy, officials said Burma's external debt stood at 4.5 billion U.S. dollars as of December 1992 and the country has been facing a 400 million dollar deficit in its balance of trade as exports were lower than imports last year.

Timber and agricultural products formed the bulk of Burma's exports, while 60 percent of imports were capital goods and raw materials, officials said.

Singapore has become Burma's fastest growing trade partner, they added.

Further on NCGUB Minister Missing in Bangkok

BK2506022593 Bangkok BANGKOK POST in English 25 Jun 93 p 7

[Text] AN anti-Rangoon cabinet member who has been missing in Bangkok since last week might have been abducted by members of the SLORC's [State Law and Order Restoration Council] military intelligence services (MIS) with the intention of extracting information from him according to informed sources.

The missing minister, Hla Pe, of the parallel government—the National Coalition Government of the Union

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of Burma (NCGUB)—has held the two ministerial positions of minister of education and health, and minister of information, which allows him to know more about the movements of Burmese dissidents in Bangkok.

The sources, among the Burmese anti-SLORC movement, said that if MIS agents had abducted him it would be for this reason. The SLORC is said to have more than 80 MIS officers in Bangkok to watch the movement of the NCGUB and other Burmese dissidents.

Close colleagues of U Hla Pe, however, still hope that he will return safely, but they do not understand why he has disappeared for so long. They have checked most places that he used to frequent but there is no clue to his whereabouts.

According to the sources, U Hla Pe was last seen at the coffee shop of the Morakot Hotel on New Phetburi Road, along with NCGUB Foreign Minister Peter Limbin late on the night of June 16.

U Hla Pe, a regular visitor to the coffee shop, is known as Philip among his non-Burmese friends. His movements and those of other NCGUB colleagues are reportedly under the close watch of the MIS.

The sources hoped his fate would not be the same as that of another NCGUB cabinet member, Finance and Revenue Minister Win Ko, who was assassinated in Kunming, China on February 27 this year. The motive of the assassination is still unknown, one of his colleagues said.

Two years ago, two NCGUB cabinet members reportedly surrendered at the Burmese Embassy in Bangkok. On May 2 this year, two Burmese politicians Mya Thein and Than Lwin, who are close to the NCGUB, also supposedly surrendered at the embassy. They were later taken to Rangoon. The sources questioned whether they willingly surrendered or were forced to turn themselves in.

According to a sketchy report, before U Hla Pe went missing he had travelled from Chiang Mai to Bangkok.

On the night of June 16, he was among several NCGUB cabinet members and Burmese activists attending a dinner party, hosted by the forestry minister of the Karen National Union at a restaurant on Ramkhamhaeng Road. At the party were U Peter Limbin, Minister of Social Welfare Tun U, and Minister of Labour Win Khet who is an MP for the National League for Democracy in Burma. The editor of New Era, a Burmese-language magazine, Tin Maung Win, also was at the party. U Hla Pe and U Peter Limbin later left the group to go to the Morakot Hotel coffee shop.

Another 34 Insurgents Surrender 10-17 May

*BK2406075193 Rangoon Radio Burma in Burmese
0630 GMT 24 Jun 93*

[Text] Members of terrorist insurgent organizations, who have come to realize their wrongdoings and after

accepting the work being undertaken and the genuine goodwill of the State Law and Order Restoration Council [SLORC], have been giving up their armed struggle and continuously surrendering with their arms and ammunitions at various military camps.

During the period of 10 to 17 May, 34 terrorist insurgents returned to the legal fold in the southeast military command, the southern military command, and the northern military command regions. It has been learned that the surrendered terrorist insurgents were warmly welcomed by responsible personnel concerned at various camps.

Brunei, Malaysia & Singapore

Malaysia

Minister, U.S. Official View APEC, GSP

*BK2406110393 Kuala Lumpur BERNAMA in English
0949 GMT 24 Jun 93*

[Text] Kuala Lumpur, June 24 (OANA-BERNAMA)—It would be unreasonable for the Clinton Administration to make an official stance on Malaysia's proposed East Asian Economic Caucus (EAEC) at this stage, as ASEAN has yet to come to a decision on how the caucus would operate, visiting US Deputy Secretary of State Dr. Clifton R. Wharton said Thursday. At the same time, he said it would not be fair for the US Government to make a judgement solely based on a concept without having to see how ASEAN would bring the EAEC into reality.

Dr. Clifton conveyed the United States's position on the EAEC when he called on Malaysian International Trade and Industry Minister Rafidah Aziz at her office here.

Rafidah told newsmen that she was happy with the latest US feedback on the matter, adding that it was a departure from the previous administration which opposed the formation of the caucus even before it took off. During the hour-long discussion, she explained to Dr. Clifton that the EAEC was not exclusive and that it was important for East Asian cooperation. Rafidah also expressed her cautious sentiment to Dr. Clifton over Asia Pacific Economic Countries (APEC) whose operations, if not monitored, could divert from its original objectives as a forum for discussion.

There are now plans to hold a heads of government summit in Singapore and this would be out of context, said Rafidah adding that APEC was not supposed to have a formal structure. She pointed out that APEC was supposed to concentrate on the implementation of about 10 projects which had been agreed upon at its formation stage.

On the Generalised System of Preferences (GSP), she said the United States would not be able to make a decision to reinstate the GSP status globally and as such, in the interim period, exporters would have to pay

duties. She added that Dr. Clifton had assured her that a mechanism would be put in place whereby a refund of duties would be made to exporters if and when the GSP scheme resumes.

The GSP scheme, which is revised biannually, expires on July 5 and Rafidah advised Malaysian exporters to try and export before that date.

Commentary Hails 'Healthy' Ties With PRC

BK2406110193 Kuala Lumpur Radio Malaysia Network in English 0800 GMT 24 Jun 93

[Station commentary]

[Text] Prime Minister Dr. Mahathir Mohamed has just returned after what he himself described as a highly successful 10-day visit to China. The size of the delegation which accompanied him—290 strong, and the largest he had led abroad so far—reflects the growing healthy relations between Malaysia and China and Malaysia's earnestness in increasing trade and investment with the most populous country in the world.

With the introduction of its reconnaissance policy trade and a market-orientated economy, China has opened its doors to all who wish to exploit its huge market. Malaysia has shown its readiness to respond to China's overtures. It should be noted that China is struggling hard to become one of the world's economic giants in the future.

In Dr. Mahathir's delegation were a large number of entrepreneurs and businessmen engaged in various industries and trade. The visit helped them become increasingly aware of the vast business opportunities that are found in China. Malaysian businesses, big, medium, and small, have a golden opportunity to invest in the rapid changes taking place in China. The highlight of the visit was the signing of more than 30 memoranda of understanding or MOUs. The project signed by the Malaysian businesses ranged from the building of a 150-km highway and the construction of a 100-thousand kilowatt of oil-fuel power to food, petrochemical, and agricultural industries [sentence as heard]. The agreements and MOUs are expected to yield an additional bilateral trade of 340 million ringgit. While investment projects involved capital investment of 1.154 billion ringgit. The important thing for the Malaysian businesses is to ensure the successful implementation and conclusion of the projects that have been agreed upon.

Dr. Mahathir's visit to China was in the course of his relentless quest for a greater South-South cooperation. There is now a Malaysia South-South Association or MASSA. It began as the Malaysia-South America Association but following the prime minister's visit to Vietnam last year, the name was changed to MASSA to cover all South countries. MASSA stands as a symbol of Malaysia's desire to see the South nations interacting with each other in terms of trade, investment, and business relations. In a highly competitive world, the

South must realize the fact that it has to face the protectionist challenges being generated in the North that are in obstruction to an open and free global market system. It is high time for the developing nations to start thinking about and safeguarding their own interests.

Dr. Mahathir and his delegation were highly impressed with the tremendous hospitality of the Chinese officials, the business community, and the ordinary citizens of that country. The success that had been achieved by the Malaysian mission augurs well for closer and friendlier relations between the two countries.

Iran Against Jeopardizing Bilateral Relations

BK2406041293 Kuala Lumpur BERNAMA in English 0331 GMT 24 Jun 93

[Text] Kuala Lumpur, June 24 (OANA—BERNAMA)—The Iranian Government has given an assurance that it will take the necessary measures to ensure that Malaysian students in Iran would not use what they were being taught in Iran to jeopardise relations between Malaysia and Iran.

Iran's permanent representative to UNESCO, Dr. Hassan Sadough-Vanini, said that Teheran placed the Iran-Malaysia relations above all else and was against any interference that would jeopardise ties between the two countries.

Iran's bilateral relations with Malaysia was far more important and if there was anything wrong arising from the presence of Malaysian students, it would be solved between the two countries, he told BERNAMA Thursday, when asked to comment on the Malaysian Government's concern over the 60 PAS (Pan-Malaysian Islamic Party) (an opposition party)-sponsored students in Qom.

Dr. Hassan said that Iran welcomed students from any country, including Malaysia but it would not want them to misuse their knowledge.

True, we would like to have these students in Iran, but if anytime we hear that they are just using what we teach them in Iran to go against the relations between any two countries, we will take the necessary measures, he said.

He, however, did not say what action would be taken against these students.

The 60-odd Malaysian students in Iran are furthering their studies in Shi'ite education, while Malaysia practises the Sunni school of thought.

Many scholars from around the world are keen to come to Iran, especially after the Islamic Revolution to study about the views of Iranians towards Islamic philosophy and they want to learn that, he said.

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Government Lifts Freeze on Foreign Workers

*BK1906065093 Kuala Lumpur NEW STRAITS TIMES
in English 17 Jun 93 p 2*

[Text] Petaling Jaya, Wed—The Cabinet has decided to lift the freeze on the recruitment of skilled and semi-skilled foreign workers who are badly needed by the manufacturing industry Deputy Prime Minister Ghafar Baba announced today.

He said the manufacturing sector, which was getting more sophisticated badly needed skilled and semi-skilled workers to work in factories which were mushrooming in the country.

"The freeze which was announced on April 11 applied to all foreign workers in order to control the influx of illegal immigrants.

"Today we decided that we have to allow skilled and semi-skilled workers needed by the manufacturing sector to be employed by the industries due to the acute shortage of local labour.

"This is because we cannot allow the economy to be crippled," he said when met by reporters at the Kuala Lumpur International Airport before leaving for Sabah to attend a Sabah UMNO [United Malays National Organization] function.

He was accompanied by Finance Minister Datuk Sri Anwar Ibrahim who will be attending the same function.

"The Cabinet decided that we cannot allow the growing manufacturing sector to be crippled due to the shortage of Malaysians to handle the sophisticated and modern machinery and technology used in the manufacturing sector.

"As regards unskilled workers who are already working in the country, we decided that they can remain if their employers register them with the Human Resources Ministry.

"No additional unskilled workers will be allowed to enter the country," he said.

Ghafar had announced on April 11 that the Government had ordered agents to stop recruiting foreign workers to check the surplus of such employees.

He said employers who needed skilled and semi-skilled labour which was not available locally could apply to the Human Resources Ministry for permission to engage such workers.

"It is then up to the Ministry to recommend to the Immigration Department to issue entry and work permits," he said.

Meanwhile in Penang, police have identified and determined the number of illegal immigrants working in factories including those owned by multinational corporations here.

State police chief Senior Assistant Commissioner Datuk Salleh Mat Som said police were preparing to raid these factories.

He warned that police would recommend employers found harbouring illegal immigrants to be charged under the Immigration Act.

"We have identified the factories and it is just a matter of time before we move against them," he told a press conference at the state police contingent headquarters here.

These immigrants are part of about 7,000 foreigners in the state illegally employed in the various sectors including construction estate and agriculture.

He described the implications of having so many illegal immigrants here as "grave", saying police would find difficulty in monitoring their activities.

Some of the foreigners could be hardened criminals on the run from the law in their own countries, he said.

Police Detain Four Boats With Foreign Crews

BK2306135493 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Jun 93

[Text] The Terengganu state marine police detained four local fishing boats with 20 Thais and an Indonesian on Sunday and Monday during a three-day operation. The boats were detained under the Fisheries Act and Immigration Act. Terengganu Royal Marine Officer ASP [Assistant Superintendent of Police] Mohamed Fauzi Said Hassan said the two offenses committed by the skippers under the Fisheries Act 1985 were for using [word indistinct] boats to fish in waters less than five nautical miles from the shore and hiring foreign fishing crew without permission. The offenses committed under the Immigration Act were engaging a crew who had no identification documents and using border passes to work as fishermen.

Singapore

Airlines To Increase Flights to Netherlands

BK2306130493 Singapore Singapore Broadcasting Corporation in English 1100 GMT 23 Jun 93

[Text] More flights will be available between Singapore and the Netherlands. A more liberalized air services agreement recently concluded allows for a total of 20 weekly services between Singapore and Amsterdam, an increase of six.

Singapore Airlines [SIA] can also operate up to seven weekly services beyond Amsterdam to two points in the U.S. The Civil Aviation Authority of Singapore said this flexibility will enhance SIA's operations to the U.S. by Europe. SIA now has seven services to New York through Brussels and Frankfurt.

Growth in Bank Loans, Money Supply Detailed

BK1706113193 Singapore BUSINESS TIMES in English 10 Jun 93 p 14

[Summary] SINGAPORE—Backed by the strong demand for housing loans, total bank loans in Singapore maintained a firm year-on-year growth of 9 per cent in March.

This was slightly higher than the 8.6 per cent expansion in February, according to latest statistics released by the Monetary Authority of Singapore [MAS] yesterday.

Bank lending to commerce maintained an annual growth of 11 per cent but lending to manufacturing, MAS noted "remained sluggish".

Total loans to manufacturing amounted to \$8.14 billion in March this year, down 0.7 per cent from \$8.2 billion in March last year.

The decline in loans to individuals, MAS said, "appeared to have bottomed out".

Year-on-year growth of Singapore's money supply—cash in circulation plus current accounts—slackened to 12 per cent in March from 15 per cent in February.

Total loans by finance companies surged by 11 per cent against 12 per cent in February and 7.9 per cent in January.

Hire-purchase financing for motor vehicles continued to boom, with a 41 per cent expansion in March against 38 per cent in February.

MAS attributed this sharp increase to the rising cost of cars rather than the surge in the number of cars bought.

Total assets of Singapore's offshore market—the Asian dollar market—grew by 4 per cent in March to US\$356.7 billion (\$573.7 billion).

Short-term interest rates shot up because of heavy borrowing from many non-bank institutions and the announcement of a few public share offerings.

Rates for one-month and 3-month interbank funds rose by 1.25 per cent and 1.12 per cent to 2.88 per cent and 2.81 per cent respectively during that month.

In the foreign exchange market, the Singapore dollar, bolstered by inflows of foreign funds, strengthened by 1.9 per cent against the US currency in April.

But the local dollar lost ground against other major currencies like the yen, German marks and sterling.

Cambodia**Hun Sen, Ranariddh Select Government Ministers**

BK2406102293 Hong Kong AFP in English 0955 GMT 24 Jun 93

[Text] PHNOM PENH, June 24 (AFP)—Phnom Penh government Prime Minister Hun Sen and opposition royalist party leader Prince Norodom Ranariddh have agreed on a provisional list of ministers for Cambodia's interim government, they jointly announced on Thursday. Hun Sen and Prince Ranariddh, named co-presidents of Cambodia in an accord struck a week ago, said they have completed the line-up of ministers and vice ministers to make up the some 60-member interim government.

"We have already made great progress in succeeding to form the new government," royalist party FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leader Prince Ranariddh said after a three-hour meeting with former rival Hun Sen. "It's a great achievement for real national reconciliation, for the sake of peace in Cambodia," he said.

However, they said they would not release the list until next Thursday [1 July], following approval by head of state Prince Norodom Sihanouk and the newly elected constituent assembly.

He and Hun Sen will jointly head the powerful interior and defense ministries, he said.

Prince Ranariddh's uncle and half-brother of Prince Sihanouk, Prince Norodom Sirivuth, was likely to be named foreign minister, with Hun Sen's senior advisor Uch Kiman as his deputy, diplomats said. Current foreign minister Hor Namhong was expected to be named minister of state for foreign affairs, a still-undefined post which would mainly require him to be a "roaming ambassador," the diplomats said. FUNCINPEC's Sam Rainsy was expected to be named finance minister, while ruling Cambodian People's Party (CPP) spokesman Khieu Kanharit would be minister of information, they said.

Son Sann, a former prime minister and head of the smaller Buddhist Liberal Democratic Party, was previously named chairman of the constituent assembly. His party will have a 10 percent share of the portfolios, while FUNCINPEC and the CPP will each have 45 percent.

The two former warring factions agreed June 16 to the formation of an interim government, naming Prince Ranariddh and Hun Sen co-presidents, and Prince Sihanouk head of state. Hun Sen and Prince Ranariddh have been negotiating the allocation of ministries since the announcement one week ago.

Hun Sen said the work of the new government had already begun.

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"Some of the cabinet members will meet in order to prepare a draft political programme to be submitted to the constituent assembly," he said. "Therefore we can say that it is already the start of the new government."

Negotiations were continuing over the rules of procedure for the constituent assembly, diplomatic sources said.

FUNCINPEC, which won 58 of the 120 seats in a U.N.-run general election in late May, was arguing for a simple majority to pass a resolution in the assembly. The CPP, with 51 seats, wants a two-thirds majority, the sources said.

Prince Ranariddh had originally demanded that Hun Sen be excluded from the coalition government, claiming Hun Sen had made numerous personal attacks against the FUNCINPEC leader during his electoral campaign. But Prince Ranariddh later dropped this demand, and the formation of the interim government was announced last week.

In a recent letter from Khmer Rouge nominal leader Khieu Samphan to Prince Sihanouk, the guerrilla faction said it would not seek to be included in the new government nor would it oppose it.

"Let us enjoy the good news that they don't oppose. That is very good news," Prince Ranariddh said.

The United Nations asked donor countries at a conference last week to provide 30 million U.S. dollars to pay the country's civil servants, police and soldiers in the interim period.

"Right now it is urgent for us to have this budgetary assistance because financial assistance is very important for the sake of stability during this interim period," Hun Sen said.

The 1991 Paris accord on peace in Cambodia gives the interim government and the constituent assembly three months after a U.N.-run general election to ratify a new constitution, set up a new government, and transform the constituent assembly into the National Assembly. The U.N.-run election in Cambodia was May 23-28.

New Cabinet To Meet 1 Jul

*BK2406140493 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
24 Jun 93*

[Text] At 0830 on the morning of 24 June at the Council of Ministers' office, Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, met and discussed the formation of the new cabinet of the Provisional National Government of Cambodia [PNGC] with His Excellency [H.E.] Hun Sen, chairman of the Council of Ministers.

Following the discussion which lasted for over three hours, Prince Norodom Ranariddh and H.E. Hun Sen who are the co-prime ministers of the new government

informed journalists that the two co-chairmen agreed with the other parties to form the PNGC and the composition of this already arranged new government will be presented to the prince head of state and to the assembly for approval.

Answering a question on the relationship between the Supreme National Council [SNC] of Cambodia and this new government, the two co-chairmen stressed that among the four existing administrations, only one, that is the Khmer Rouge's administration, needed to be considered. By now, three existing administrations have agreed to form the PNGC. Therefore, the SNC's relationship with the new government will not change because the newly formed national government represents the three existing administrations which took part in the elections.

The two co-chairmen noted that in addition to the success in the formation of the new coalition government, an important point was achieved, that is the genuine national reconciliation. And next Thursday [July 1], there will be a meeting of the new cabinet—the largest national government making up of (?approximately 70) persons—45 percent from the FUNCINPEC, 45 percent from the State of Cambodia, 10 percent from H.E. Son Sann's Buddhist Liberal Democratic Party, and one seat from the MOULINAKA [National Liberation Movement of Cambodia] Party.

Sihanouk Declines Audience

*BK2506053293 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
25 Jun 93*

[("Press Communiqué" issued by Prince Sihanouk at the Royal Palace; dated 24 June—read by announcer]

[Text] Today, Prince Kromluong Norodom Ranariddh and His Excellency Hun Sen, cochairmen of the provisional national government of Cambodia [PNGC], requested an audience with me in order present a namelist of all members of the PNGC. Noting that:

1. I am not the person involved in the process of composing the PNGC;
2. I am not the person absolutely responsible for the composition of this government; and
3. The government is not responsible to the head of state, but to the National Assembly—the constituent assembly, which will transform itself into a National Assembly as of September 1993.

I would like to apologize to the cochairmen of the PNGC for not being able to receive them before the PNGC wins the vote of confidence from the constituent assembly and for not wanting to know about the cabinet list before the aforementioned vote.

I will officially receive the PNGC in the most brotherly manner before the King's White Umbrella one day after

it receives the vote of confidence from the constituent assembly. I will immediately sign the decree appointing the cochairmen and the members of the PNGC after the vote of confidence by the constituent assembly is made.

[Dated] The Royal Palace in Phnom Penh, 24 June

[Signed] Norodom Sihanouk

Ranariddh Leaves Phnom Penh for Bangkok

*BK2506043693 Hong Kong AFP in English 0426 GMT
25 Jun 93*

[Text] Phnom Penh, June 25 (AFP)—The leader of Cambodia's royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] Party, Prince Norodom Ranariddh, left the capital Phnom Penh unexpectedly Friday for Bangkok.

"I think he has just gone to collect some clothes and personal belongings," a FUNCINPEC official who declined to be identified said. Before leaving, the prince discussed rehabilitation of the war-torn country with the Redd Barna, the Norwegian Save the Children aid organisation, he said. It was not clear whether he would return Saturday or after the weekend, the official said.

Throughout Cambodia's 13-year civil war, formally ended with the signing of the 1991 Paris peace accords, the prince divided his time between Thailand—from where he directed his resistance movement along the Cambodian border—and France where he taught law.

The FUNCINPEC leader and former rival Phnom Penh Prime Minister Hun Sen were named co-presidents of a new interim government in an agreement struck last week. After a week of negotiations, Prince Ranariddh and Hun Sen announced Thursday they had agreed on the list of ministers for the provisional government, but did not release the names. The list should be made public next Thursday, Prince Ranariddh said.

Armed Forces Make Joint Appeal to Khmer Rouge

*BK2406102893 Hong Kong AFP in English 0950 GMT
24 Jun 93*

[Text] PHNOM PENH, June 24 (AFP)—The nominally united Cambodian armed forces appealed to the Khmer Rouge to respect the often-broken ceasefire agreed to in 1991, and invited the radical guerrillas to join their new army, a U.N. spokesman said Thursday. The declaration coincided with reports of scattered fighting in three provinces between the Khmer Rouge and the Phnom Penh government army.

A skirmish Tuesday between the two sides in eastern Kompong Cham province left two Khmer Rouge and one Phnom Penh soldier dead, U.N. spokesman Michael Williams said. Clashes were also reported in western Battambang and Koh Kong provinces, he said, without giving details. In addition, U.N. personnel using

National Route 5 from the Thai border town of Poipet and those using Route 69 north into the resistance zones must have an armed escort of U.N. peacekeepers, Williams said. Seven Cambodians were killed on that heavily travelled route by a freshly laid mine last week.

The Cambodian generals from the three previously warring factions met Thursday under U.N. supervision. They were joined by another breakaway group from the Khmer People's National Liberation Front (KPNLF) which had not attended previous meetings, Williams said.

"We leave the door open for any faction who has not joined us," Williams quoted the Phnom Penh army general Pol Saroeun as saying.

In a written appeal, the group said it "one again appeals to the NADK to remain calm and to respect the ceasefire." NADK is the National Army of Democratic Kampuchea, the official name of the Khmer Rouge.

During the meeting, U.N. force commander Lieutenant General John Sanderson said the United Nations was "opening channels of communication with the DK, but we need the help of this group to do it," Williams said without giving details.

The generals also proposed sending a draft law to the Supreme National Council (SNC), their political counterparts, to formally establish themselves as the Cambodian Armed Forces, Williams said.

The next meeting on July 7 would attempt to include members of the newly elected constituent assembly "with responsibility for the transition arrangements for the Cambodian Armed Forces," the spokesman said.

The three factions agreed June 10 to merge their troops, but the details have yet to be worked out and the three still operate more or less as single entities. Phnom Penh has about 50,000 regular troops plus 100,000 militia, while the other two non-communist factions have not more than 10,000 fighters combined. The Khmer Rouge have between 12,000 and 15,000 troops, according to U.N. estimates.

They also proposed that Prince Norodom Sihanouk be their supreme commander, a position the prince has distinguished from that of commander-in-chief of the armed forces.

Prince Sihanouk intends to leave the country July 11 and return in mid-September, and he has asked the royalist FUNCINPEC party and the government's Cambodian People's Party (CPP) to work to share power in his absence.

KR Leader Wants To End Exile, Return to Capital

BK2406104093 Hong Kong AFP in English 1031 GMT 24 Jun 93

[Text] PHNOM PENH, June 24 (AFP)—The nominal leader of the Khmer Rouge, Khieu Samphan, said Thursday he was ready to return to the Cambodian capital after two months in exile. In a letter to head of state Prince Norodom Sihanouk, Khieu Samphan said he would first send his envoy Chan Youran for a meeting at the Royal Palace.

"If your royal highness is pleased to allow me to return, then I will gradually send some people to manage my residence," he said. "When the time is favorable, I will come to Phnom Penh."

Prince Sihanouk immediately responded to the letter, dated Thursday, and welcomed both Khieu Samphan and his envoy to the capital.

"In the name of the Cambodian people, I express my highest gratitude and my warmest regards for following my fatherly advice: no war, no partition or secession, national unity, and use of peaceful means to resolve all problems," he replied.

The prince, who last week appealed for the Khmer Rouge to give up their war and return to the Cambodian capital, said he would notify Khieu Samphan of the date of the meeting with his envoy.

PDK Issues Statement on Interim Government

BK2506003093 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 24 Jun 93

[“Statement by the Spokesman of the Party of Democratic Kampuchea on Democratic Kampuchea’s Role in the Provisional Government During the Transitional Period”; place not given, dated 24 June—read by announcer]

[Text] I. Of late, opinions have been aired in accordance with political objective, strategy, and tactics with the aim of subverting the plan for national reconciliation of the prince father [Sihanouk’s popular title]. Prince Norodom Ranariddh, His Excellency [H.E.] Son Sann, and the entire Cambodian nation and people. The issue of Democratic Kampuchea has ceaselessly been raised as this or that problem at the time when a new provisional government is being organized.

II. The Party of Democratic Kampuchea [PDK] wishes to make it clear that:

A. The PDK will not join the provisional government that is being worked out.

B. The PDK wishes to show gratitude to the prince father—the father of national reconciliation, who always cares about the interests of the nation and people and

peace, independence, and national unity—for being of the opinion that the PDK should be allowed to have the function of adviser outside the government in order to join in discussions, within the framework of a family, on various issues.

III. With regard to the opinion of the prince father, the father of national reconciliation, the PDK cannot reject it. Instead, the PDK wishes to gladly accept the aforementioned opinion of His Highness.

[Dated] 24 June

[Signed] PDK spokesman

Hun Sen Meets Russian Minister, Discusses Polls

BK2506101993 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 25 Jun 93

[Text] During their visit to Cambodia, Mr. (Kudadze), Russian deputy foreign minister, and his delegation were received by His Excellency [H.E.] Hun Sen, chairman of the Council of Ministers of the State of Cambodia and member of the Supreme National Council, at the office of the Council of Ministers on the afternoon of 19 June.

Mr. (Kudadze) exchanged views on the current situation in Cambodia with H.E. Hun Sen and talked about the stance adopted, at a meeting of the core group’s countries, by the Russian Government, which wants to see national reconciliation between the Cambodian people. The Russian deputy foreign minister also considered the recent elections a success for the Cambodian people.

For his part, H.E. Hun Sen accounted for the recognition of the election results, saying: We will announce recognition of the election results when the United Nations appoints an independent commission to conduct an inquiry concerning a number of poll irregularities. He added: We neither intend nor have reason to prolong this situation since our primary goal is peace and national reconciliation.

Taking that opportunity, H.E. Hun Sen also called on various countries to give, during the transitional period, financial assistance that will be used to pay civil servants, soldiers, and policemen.

Mr. (Kudadze) informed H.E. Hun Sen about his attention to the current situation in Cambodia and the participation of all Cambodian parties in the peace process. He reaffirmed that his side would support Cambodia’s efforts in the search for peace and national reconciliation, and he said he hoped that a new constitution would be adopted within the timeframe defined by the Paris accord.

Sihanouk Commended for Reconciliation Efforts

BK2506011893 Phnom Penh CAMBODIA TIMES in English 21-27 Jun 93 p 2

[Commentary: "Our Basis, National Unity"]

[Text] The past weeks have been traumatic and dramatic. A government of national reconciliation was formed, and disbanded because of outside interference.

Bitter rivals, setting aside vast differences, got together to save their people from further suffering.

Another element of politics and emotions unfolded in what is perhaps the most turbulent period of local history—a move from forced isolation to reintegration into the world community.

It was on the threshold to an end to years of infighting among factions that had left the country in unbelievable shambles.

"Now we do not take the result of the election as our basis. We take national unity as our basis," wise words from a man who is father of the nation.

Samdech Preah Norodom Sihanouk's words echoed in the ears of thousand, as he sought to unify his country where peace is only a word that has not been experienced for decades.

His efforts are noble, but the people did not give a clear mandate to one faction: they voted almost equally between two bitter rivals, giving one a slight edge over the other.

It was almost like a plea, an appeal to the two sides to work together, the only way to salvation.

Prince Sihanouk aptly described the election as having no winners or losers.

Despite the no-holds barred campaign over a month, during which many unkind words were spoken, and unkind things done, the bitterness seems to have faded in such a short time.

The maturity of the country's leaders is an example to nations in conflict. Leadership is the ability to unite a diverse team to work for a common goal, not to divide and miss the goal.

Harder still would have been for him to convince his people of the need to make these concessions, especially so soon when even the wounds have had no time to heal.

That is the mark of the man of destiny.

Hun Sen, on the other hand, has also accepted the reality of the situation and left matters in the hands of Prince Sihanouk.

Son Sann, the grandfather of local politics, will have to play a comforting role in bridging the gap with his vast experience in life. His apolitical stand at this difficult time need not be stressed.

It is obvious that it will not be smooth sailing, but at least some direction has been set for the boat.

It is a the start of a ride, but perhaps in choppy waters to reintegration the country into the world community.

Radio Reports Jun Khmer Rouge Violations

BK2406130793 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 24 Jun 93

[Excerpts] [passage omitted] At 2030 on 14 June, 15 Khmer Rouge soldiers from Division 785 assaulted and lobbed grenades at Baray District of Kompong Thom Province, wounding five persons—a commune head, a village head, a village deputy head, and two soldiers—two buffalos, and killing three oxen. [passage omitted] At 1314 on 18 June, Khmer Rouge soldiers from Division 785 attacked the State of Cambodia [SOC]’s armed forces in Komreng village, Srayov commune, Kompong Svay District, wounding two SOC soldiers and damaging two weapons. At 0830 on 19 June, Khmer Rouge soldiers from Division 616 shelled and attacked positions of SOC armed forces at Kantoeng Roeng, Botum, Banteay Stoung, Bos Ta Saom, and Rung Roeung villages in Prasat Balang District, wounding two SOC soldiers. The SOC armed forces temporarily withdrew from these positions.

In Kratie Province, at 1700 on 15 June, 20 Khmer Rouge soldiers from Division 920 attacked a position of the 27th Battalion at Kompong Kou, Kompong Kou commune, Prek Prasap District, killing two SOC soldiers and an inhabitant and wounding two SOC soldiers. Implementing their right to self-defense, the SOC forces killed an enemy and seized a weapon.

In Battambang Province, on the night of 19 June, 15 Khmer Rouge soldiers from Division 96 destroyed the bridge at Kralaom Phluk and 300 meters of railroad tracks at Kou Cha in (Kokoh) commune of Moung Russei District. [passage omitted]

More Attacks Reported

BK2506100993 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 25 Jun 93

[Text] Following is a report from the frontline:

Battambang Province: On 20 June Khmer Rouge rebels blew up two bridges on PV61/85 and PV61/94 in Battambang District.

Kompong Chhnang Province: On 19 June Khmer Rouge rebels used TNT to blow up the railroad track on

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VE19/55 in Ta Krorng village, Krang Lvea Commune, Samakki Meanchey District. The railroad was damaged in eight places.

Siem Reap Province: On 21 June, 15 to 20 Khmer Rouge rebels attacked the seat of Sot Nikom District, burning down the house of a village headman and seizing some property. On 22 June some 10 to 15 Khmer Rouge rebels launched a surprise attack on the position of Regiment 367 at Thleng Sar monastery on UA25/65. On 23 June some 50 to 60 Khmer Rouge attacked the position of the State of Cambodia [SOC] armed forces on UA25/65 in Varin District. On 23 June Khmer Rouge rebels under Ta Mok's leadership concentrated forces in an apparent attempt to put pressure on Sot Nikom District and cut off Leu bridge.

Koh Kong Province: On 17 June at 1300, 25 Khmer Rouge rebels from Division 107 attacked the position of the 1st Battalion of the Botumsakor District armed forces on UT20/29 in Chamka Leu village, Thmar Sar Commune, forcing the armed forces of the SOC to temporarily pull out of their stronghold.

Kompong Speu Province: On 20 June at 1730, 20 Khmer Rouge rebels attacked the position of the 1st Company, 3rd Battalion, 97th Regiment, on VT91/07, wounding the wife of a soldier.

Preah Vihear Province: On 21 and 22 June Khmer Rouge rebels concentrated the forces of Divisions 616, 612, and 919, Front 1001, and other units from the Thai border with support from six DK-82 cannons, five 82-mm mortars, and other artillery pieces. The rebels planted mines and felled trees to cut off communications between the provincial seat and Choam Khsan District. On 23 June the SOC armed forces in cooperation with Cambodian forces in Choam Khsan defended their positions and cleared the area of landmines.

All the above-mentioned activities more clearly show the true nature of the Khmer Rouge rebels who under well-organized and systematic command are aiming at sabotaging the peace process of the Cambodian people.

Based on the statements of the chiefs of the General Staff on 10 June appealing to the National Army of Democratic Kampuchea to remain calm and strictly abide by the cease-fire agreement, the international community, the United Nations, and the UN Transitional Authority in Cambodia should take urgent measures to prevent a recurrence of such violations.

Indonesia

Suharto Urges Lifting of Bosnian Arms Embargo

BK2406155593 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 24 Jun 93

[Text] In his capacity as chairman of the Nonaligned Movement [NAM], President Suharto has urged the United Nations to lift the arms embargo imposed on

Bosnia so that its people can defend themselves against the tyrannical acts of the Serbs. Speaking after he met with the president in Jakarta today, Nana Sutresna, chief of the NAM Executive Committee said the tyrannical acts by the Serbs must be stopped. Meanwhile, Indonesia, being the NAM chairman will make efforts through the UN Security Council caucus to lift the arms embargo on Bosnia because injustice in that country must be stopped.

For this reason, President Suharto has instructed Nana Sutresna to immediately contact Nugroho Wisnumurti, Indonesian permanent representative at the United Nations in New York, who will in turn contact NAM members, which are also members the UN Security Council.

Diplomatic Relations Established With Belarus

BK2406145193 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 24 Jun 93

[Text] Indonesia has established diplomatic relations with the Republic of Belarus. The establishment of diplomatic relations was signed in Moscow on 18 June by Indonesian Ambassador to Russia Janwar M. Jani on behalf of the Indonesian Government and Belarusian Ambassador Viktor Danilenko on behalf of the Belarusian Government.

A press release of the Foreign Affairs Department in Jakarta received by RRI today said both countries wish to expand and strengthen friendship and cooperation based on equality and mutual respect. Besides, the two countries vow not to interfere in each others' internal affairs as stipulated in the UN Charter and the 1991 Vienna Convention on diplomatic relations.

Minister: Asylum-Seekers Not To Be Detained

BK2406112493 Jakarta ANTARA in English 1027 GMT 24 Jun 93

[Text] Jakarta, June 24 (OANA—ANTARA)—Coordinating Minister for Political Affairs and Security Susilo Sudarman has said that the seven East Timorese seeking political asylum at two foreign embassies in Jakarta will not be detained. They will not be detained, said the minister repeatedly after leading a coordinating meeting on political and security affairs here on Thursday.

Four East Timorese came separately on Wednesday to the Finnish Embassy and the other three to the Swedish Embassy located in the same office block in effort to seek political asylums. On Thursday noon, they are expected to be staying at the house of Indonesian Ambassador-at-large for Special Tasks F.X. Lopez da Cruz.

From Helsinki, Finland said on Wednesday that it was not be able to grant asylum to the four East Timorese. [sentence as received] A Finnish Foreign Ministry statement said that the four asylum seekers would be allowed to remain in the embassy until they could leave freely

and that every effort would be made to ensure their human rights were respected.

While Sweden on the same day said that it would also not be able to grant the political asylum, except the seekers bid it in Sweden. [sentence as received]

Under Swedish and Finnish regulations, applications for political asylum can only be made at borders or on Swedish and Finnish soil, but not in their embassies abroad.

Minister Sudarman said that as the two embassies have stated not to grant asylum for the seven East Timorese, the problem has been resolved by Ambassador da Cruz.

The seven East Timorese, aged between 24 and 27, are Florencio Anunciacao, Porfirio da Costa Oliveira, Jose Manuel de Oliveira Sousa, Mateus Brito Ximenes, Ventura Valentin, Clementino Faria, and Oscar Goncalves da Silva.

Four Leave Finnish Embassy

*BK2406162093 Hong Kong AFP in English 1600 GMT
24 Jun 93*

[Text] Jakarta, June 24 (AFP)—Four young pro-independence East Timorese left the Finnish embassy here Thursday, where they had spent the past 24 hours demanding political refugee status, witnesses said.

"They left willingly," Finland's Ambassador to Indonesia Veji Ollikainen, told reporters. Ollikainen escorted the four from the embassy, on the 10th floor of a building in central Jakarta, to the building's lobby.

Three other East Timorese seeking political asylum in the Swedish embassy in the same building, where they have been since Wednesday afternoon, continued to press their claim for political asylum and their right to leave the country, according Indonesian human rights activist Haj Johannes Princen, who is serving as mediator.

Indonesia annexed East Timor, a former Portuguese colony, in 1976. The United Nations does not recognise the annexation and regards Portugal as the area's administrative power until East Timor can attain the self-determination.

After leaving the Finnish mission, the four East Timorese were to be taken to the home of a high-ranking Indonesian official of East Timorese origin, Ambassador At Large F.X. Lopez Da Cruz. In 1989, six East Timorese seeking political asylum from embassies of Japan and the Vatican were taken to the same residence of the same man, who was then a lower-level official.

The official Antara news agency has quoted Coordinating Minister of Political Affairs and Security Susilo Sudharman as assuring the seven they "would not be detained" as long as they left the embassies. Jakarta's military fortress commander General Hendro Priyono,

who negotiated with the four East Timorese, said Thursday the commitment to refrain from arrests would be upheld.

"I swear," he said.

The seven asylum seekers, all men aged between 20 and 27, went to the two embassies Wednesday afternoon to request political asylum, saying they had been persistently pursued by Indonesian security police and feared for their lives. Later that day, they started a hunger strike to press for political refugee status.

Sudharman is also acting foreign affairs minister in the absence of Ali Alatas, currently on an official visit to Europe where he attended the U.N. World Conference on Human Rights in Vienna.

David Jamieson, who represents the U.N. High Commissioner for Refugees (UNHCR) here, said he had discussed the incident by telephone with Finland's ambassador. Jamieson told AFP that the UNHCR found "satisfactory," as it did with the six asylum-seekers in 1989, that the seven East Timorese "would not be prosecuted."

Most of the seven were at a November 1991 demonstration in the East Timor capital of Dili when Indonesian troops opened fire, killing 50, according to an official inquiry, but witnesses at the scene put the death toll at more than 100. The seven pro-independence activists said they fled East Timor about a year ago for the Indonesian capital of Jakarta, where they believed they could better evade authorities.

Emphasising that the UNHCR was following the incident "very closely," Jamieson denied he had intended to go the Finnish embassy to speak directly to the East Timorese.

Princen and Scandinavian diplomats said Thursday they had been awaiting Jamieson at the Finnish legation. They said he was also to have spoken with the three asylum-seekers in the Finnish mission.

"The Indonesian government would not recognize that we have a role," Jamieson said, referring to U.N. refusal to recognise Indonesia's annexation of East Timor.

Garuda Airways Begins Surabaya-Beijing Flights

*BK1906095793 Jakarta Radio Republik Indonesia
Network in Indonesian 0000 GMT 19 Jun 93*

[Text] Relations between Indonesia and China developed a step further with the opening of Surabaya-Beijing air route by the national flag carrier, Garuda Indonesia Airways, beginning 18 June. According to Garuda's public relations officer, the twice-weekly flight to Beijing is on every Tuesdays and Fridays via Jakarta using a 225-seat Airbus, with 18 seats for business class, and 207 seats for economy.

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The opening of the air route to Beijing, among other things, is aimed at meeting the demand generated by an anticipated expansion of bilateral trade and industrial links, apart from seeking fame for Indonesia. Based on data from a 1992 Chinese travel magazine, 70,000 Indonesians visited China that year, while 8,000 people from PRC visited Indonesia in the same year.

7th-Generation Satellites To Be Launched in Oct

BK1806122493 Jakarta THE JAKARTA POST in English 4 Jun 93 p 8

[Excerpts] Jakarta (JP)—The International Telecommunication Satellite Organization (Intelsat) is committed to launching two satellites into orbit above the Pacific Ocean.

Intelsat's director general, Irving Goldstein, guaranteed the placement of the satellites of the latest generation in response to a request by Chahyono Surjodibroto the president of the Indonesian state-owned international telecommunications company, PT [Company Limited] Indosat. They were attending the recent Asia Telecom 93 fair in Singapore.

Chahyono, who has just returned from Singapore, was quoted yesterday by a spokesman for the company, Bambang Priantono, as saying that the two satellites will be placed at ideal sites above the Pacific Ocean. The economic boom in the Asia-Pacific region has increased the demand for telecommunications services.

"With the telecommunications traffic in the region currently growing by around 25 percent per annum, the existing Intelsat satellites' transponders now serving the area are no longer capable of meeting the rising demand," Chahyono, who is also Intelsat's governor for the Association of Southeast Asian Nation's (ASEAN), said.

"We are afraid that a failure of transponder service will cause a telecommunications traffic jam or stagnation in the region," Chahyono said.

The two new satellites of the seventh generation are expected to be launched next October to replace two of Intelsat's four satellites which are now operating above the Pacific Ocean.

Chahyono said in conjunction with the high economic growth in the Asia-Pacific area, Intelsat plans to open a regional office to improve services for countries in the region, especially the members of ASEAN—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Intelsat is a worldwide cooperative organization which manages telecommunications satellite services to both member and non-member countries. [passage omitted on background of Intelsat].

The director general for International Maritime Satellite (Inmarsat), Olof Lundberg, has reportedly welcomed

Indonesia's plan to establish a coastal earth station to transmit mobile telecommunications, especially for sea transportation, through Inmarsat's facilities.

"This kind of telecommunication system will be very suitable for Indonesia which consists of thousands of islands," Lundberg was quoted by Chahyono as saying at a meeting during the Asia Telecom 93 fair.

The Inmarsat B and M standard antennas are portable terminals which can be easily installed and have high accessibility for either sea or land telecommunications, Chahyono said.

By the year 2000, the Inmarsat system will be expanded with a new system called Inmarsat-P which will allow people direct access to satellites for international telecommunications through hand-held telephones.

Since 1987, Indonesia has transmitted with the Inmarsat system from Singapore and Japan's coastal earth stations to serve Indonesia's maritime service.

'Indostar' Satellite To Go Up in 1995

BK2106121193 Jakarta SUARA PEMBARUAN in Indonesian 19 May 93 pp 1, 16

[Text] Following its success in launching the Palapa Domestic Satellite Communications System [SKSD], Indonesia will have four direct broadcast satellites, DBS, called Indostar. The first satellite, Indostar-1 is scheduled to be launched on 17 August 1995 to coincide with Indonesia's 50th anniversary of independence.

Arief Juwanto, director and program manager of Media Citra Indostar Company Limited [MCI, a subsidiary of the Bimantara Group], told this to PEMBARUAN in Badung on Tuesday (18/5).

"The launching of the other three satellites will depend on the market growth. If the prospects are good, the next one will be launched," he said.

The satellite that will be placed in orbit at a height of about 36,000 km, will be owned by a consortium of MCI, PT [Company Limited] Telkom, Seruni Company, Sejati Company, and several other foundations. Arief admitted that this satellite, which will be used for radio and television broadcasts transmission, is able to cover the entire Indonesian region which is its main area of concentration. However, its excessive capability will enable it to expand its coverage to Papua New Guinea, Australia's Northern Territory, the Philippines, and South China.

According to Arief, the Indostar satellite, among other things will help transmit TVRI [Televisi Republik Indonesia] and RRI [Radio Republik Indonesia] broadcasts to remote areas in Indonesia where they are not yet received. Based on data, TVRI broadcasts can only be transmitted to 67 percent of the total area in Indonesia, while 80 percent can receive RRI broadcasts.

"TVRI and RRI will each be allocated with a special channel free of charge," Arief said. In order to receive transmission from Indostar-1, subscribers must use a decoder and a parabolic antenna 1 meter in diameter. The additional price for the two items is about US\$110.

The satellite will be built in June 1993 by the United States' International Technologies Corporation satellite manufacturers which is a subsidiary of Defense Systems Inc. It will take 30 months for the satellite to be completed. The manufacturing process will take 28 months, while transportation and launching will take two months.

The total cost of the satellite, inclusive of the launching and insurance fees, is projected to be about US\$90 million. Indostar satellite will have five transponders. Three transponders will be used for television transmission with two of them being the analogue type and one a digital type. Using high-compression technology, the digital transponder could be divided into eight channels. Meanwhile, two transponders comprising eight digital channels with FM and CD qualities will be for the radio stations.

The television stations will use the S-band frequency, and the radio stations will use the L-band frequency. According to Arief, these frequencies are based on the current data which is effective for Indonesian regions that have a high rate of rainfall.

Apparently, there are several television and radio stations that have stated their interest in utilizing the Indostar-1 transponder. They are RCTI [Rajawali Citra Televisi Indonesia], SCTV [Surabaya Citra Televisi], Trijaya FM, and Prambors Rasisonia. However, Arief hoped that institutions of higher learning, and the Education and Culture Department will also take advantage of the available satellite for carrying out remote control lectures. Apart from that the satellite can also be utilized for disseminating news, information, research studies, and all kinds of information via electronic media.

Laos

Savannakhet Governor Talks With Thai Counterpart

BK2306141193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 23 Jun 93

[Text] On 17 June, Saisomphon Phomvihan, governor of Savannakhet Province, met and held talks with Second Lieutenant Maitri Naiyakun, governor of [Thailand's] Ubon Ratchathani Province, who paid a two-day visit to Savannakhet Province.

Attending the meeting were members of the local-level general border peacekeeping committees of Khanthabouli and Songkhon Districts located along the border of Savannakhet Province and some Thai localities located along the border in Ubon Ratchathani Province.

Saisomphon Phomvihan and 2d Lt. Maitri Naiyakun and the delegations of the two sides discussed the possibility of cooperation to resolve problems and regulate relations and contact between local people in the two border provinces through the enforcement of laws of the two countries. This is aimed at preventing any mishaps and misdeeds by bad elements who are bent on undermining the friendship and good neighborly and brotherly relations and creating disturbances along the border in general and between the two provinces in particular. All this is aimed at turning the Mekong river into one of lasting peace and friendship.

In the past, ties between Savannakhet and Ubon Ratchathani Provinces have always been smooth. At present, Savannakhet Province has opened a permanent border crossing point at Ban Tha Pan Boun village linking Khemmarat District in Ubon Ratchathani Province to facilitate trade and contact between local peoples on both sides of the Mekong river.

Friendship Order Conferred on Outgoing SRV Envoy

BK2306133593 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 23 Jun 93

[Text] On the evening of 22 June, the Lao Government held a ceremony at the Government Guest House to confer the Friendship Order on Nguyen Xuan, SRV ambassador extraordinary and plenipotentiary to Laos, upon the completion of his almost 15 year diplomatic mission in Laos.

Foreign Minister Somsavat Lengsavat, representing the party Central Committee and government, conferred the medal on the SRV ambassador for his outstanding performance of diplomatic duties in Laos for almost 15 years by making great contributions to strengthening and increasing the special solidarity and comprehensive cooperation between the two parties, states, and peoples of Laos and Vietnam. On this occasion, Somsavat Lengsavat pointed out that in addition to making important contributions to the cause of national defense and construction, Nguyen Xuan, as a senior diplomat, also made efforts to convince other diplomats and representatives of international organizations to become cohesive and to understand the Lao People's Democratic Republic better. Lao party and Government leaders and people appreciate and highly value his contributions.

Speaking at the ceremony, Ambassador Nguyen Xuan expressed his gratitude to the Lao party and Government for conferring the prestigious order on him. He said: The conferment of this order is a great honor and an encouragement to me as well as to the SRV Embassy and staff.

Phoumi Vongvichit Addresses Cadres

BK2406041593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Jun 93

[Text] Phoumi Vongvichit, adviser to the Lao People's Revolutionary Party Central Committee, met and

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addressed leading cadres of the Information and Culture Ministry yesterday at the meeting hall of the ministry. Attending were Osakan Thammatheva, minister of information and culture; deputy ministers; and heads or deputy heads of departments attached to the ministry along with writers, poets, and representatives of various mass media organizations concerned.

Phoumi Vongvichit noted the eminent development of the world and domestic situation in his address. He particularly pointed to the danger arising from the enemy implementation of psychological warfare schemes to peacefully effect changes in the ranks of our cadres and people. These schemes he said, have brought about an adverse affect to the cultural and social sector. The adviser to the party Central Committee said: At present, negative phenomena in many fields have emerged in societies both in Vientiane and other regions or provinces throughout the country. Such phenomena are, for example, the prostitution in food and drink shops, the performance of depraved dances by youngsters in accordance with foreign culture, and gambling under various forms which run counter to the fine tradition and culture of the Lao nation.

Phoumi Vongvichit also gave instructions on certain major issues, which are in line with the sixth resolution of the fifth Party Central Committee, in particular the building of human resources. Regarding this, the adviser to the party Central Committee said he considers the Information and Culture Ministry the main ministry which has the duties of publicizing the line and policies of the party to the people and directly guiding the implementation of the political and ideological work in the country. He called on responsible cadres of all sectors concerned to pay more attention to firmly performing the said tasks in the spirit of self-mastery and self-reliance in order to timely check and smash the aforesaid enemy schemes of peacefully effecting a change.

Australian Government, Firm Give Relief Rice

BK2306095493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 21 Jun 93

[Text] On the morning of 19 June, acting on behalf of the Australian government, Michael Mann, Australian ambassador extraordinary and plenipotentiary to Laos, handed 100 metric tons of polished rice to the Ministry of Labor and Social Welfare as relief aid for people stricken by drought in the past production season in Luang Namtha Province.

On the same occasion, (Pickery), the managing director of the private [name indistinct] Company of Australia, also handed another 100 metric tons of polished rice to the people in the same province through the ministry. Accepting the relief rice on behalf of the Lao Government, Labor and Social Welfare Minister Thongloun Sisoulit thanked the Australian government for giving such relief rice aid to Laos.

Assembly Chairman Receives New Russian Envoy

BK2406145993 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 Jun 93

[Text] Saman Vi-gnaket, chairman of the National Assembly, received a courtesy call from Vladimir Pavlovich Fedetov, newly designated ambassador of the Russian Federation to the Lao People's Democratic Republic [LPDR] at the National Assembly Hall on the morning of 24 June.

During the conversation, the National Assembly chairman and guest exchanged views on relations and cooperation between the two countries, agreeing that they should be further improved and expanded.

Moreover, Saman Vi-gnaket expressed his concern over various difficulties prevailing in Russia at present but wished that the Russian Government and people will be able to overcome the various crises in due time.

The National Assembly chairman reassured the guest of the LPDR Government's unchanging direction in support of bilateral cooperation and the diplomatic assignment of the new Russian ambassador. He believes the assignment will contribute significantly to better understanding and the gradual improvement of relations and cooperation, bringing it to a new level for the benefit of the peoples of the two countries.

Authorities Deport 20 Thais From Savannakhet

BK1806115193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Jun 93

[Text] On 10 June, authorities of Savannakhet Province sent back 20 Thais who illegally entered Laos to Thai officials.

The hand-over ceremony was held at the (Tha Long) border checkpoint, Songkhon District, Savannakhet with the participation of members of the border coordination committees of both Laos and Thailand.

All the entrants are Thai nationals who illegally entered Laos to earn livings in Songkhon District, Savannakhet Province, for a long time. The local officials therefore detained them before sending them back home and [words indistinct]. The practice is aimed at safeguarding peace and security along the border between Laos and Thailand.

New District in Xieng Khouang Province

BK1806111993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Jun 93

[Text] The announcement of Mok District, a new district of Xieng Khouang Province, was officially announced in a ceremony held at the Mok District Office on 20 May.

Presiding over the ceremony was Phoumi Thipphavon, member of the Party Central Committee and secretary of the Xieng Khouang Provincial Party Committee. Also

present were representatives of various services and more than 100 citizens of the new district.

On this occasion, Savang was appointed secretary of the District Party Committee and Mok District chief; Khammeung as deputy secretary of the District Party Committee; and Bounmi Mahasai as deputy district chief.

The District of Mok comprises 16 services and is made up of six cantons with a total population of more than 100,000.

At the ceremony, medals and certificates of commendation were also awarded to a number of persons who have distinctively contributed to Mok District's infrastructure development in the past three years. Thirteen persons received the government certificates of commendation.

New Vientiane Party Secretary Named

BK2206042993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Jun 93

[Text] Boun-gnang Volachit, former secretary of the party committee and former governor of Savannakhet Province, has been appointed new secretary of the party committee and concurrently mayor of Vientiane Municipality to replace Oudom Khatthi-gna, who has been appointed personnel in charge of guiding mass organizations at the central level and who has been assigned by the Political Bureau of the party Central Committee to be head of the committee in charge of making preparations for the [third national] congress of the Lao Front for National Construction. A ceremony marking the handover of authority between Oudom Khatthi-gna and Boun-gnang Volachit was held on 17 June. The hand-over ceremony was attended by secretaries of district party committees and chiefs of various services attached to Vientiane municipality.

Philippines

Armed Forces Chief Reviews U.S. Talks

HK2306132193 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jun 93

[Text] In response to a question by Malacanang [presidential palace] reporters about the results of his discussions with his U.S. counterpart, General Colin Powell, chairman of the Joint Chiefs of Staff, General Lisandro Abadia, chief of staff of the Armed Forces, said that military relations between the Philippines and the United States will continue.

Abadia said that, besides the professional military-to-military relationship between the Philippines and the United States, joint military exercises will continue, along with U.S. Navy port visits, with the same privilege given to Japanese and Singaporean ships. He said that the discussions did not include the possibility of U.S. military bases being returned to the Philippines. They

also did not touch on the possibility of the Philippines buying F-5 fighter jets from the United States, because this depends on political decisions by both countries. He added that the two countries' Mutual Defense Treaty remains in force.

First Quarter Exports Below Targets

HK2406101193 Manila BUSINESS WORLD in English 24 Jun 93 p 2

[Report by Genevieve I. Soledad]

[Text] The country's exports for the first quarter of this year fell below targets of the Department of Trade and Industry (DTI). Data supplied by the Philippine Exporters Confederation, Inc. (Philexport) show total exports for the period were worth \$2.437 billion, up 7 percent from only \$2.276 billion a year ago.

This growth rate, however, is still below the DTI's growth forecast. The DTI had hoped the country could export some \$2.549 million worth of products for this quarter, up 12 percent from year-ago levels. Under the DTI's Philippine Export Development Plan (PEDP), exports should hit \$11 billion by the end of this year.

Philexport traced the export sector's weak performance to four factors.

One is the chronic power shortage which prevents exporters from taking in larger orders.

Another is the impact of the log ban on wood-based exporters. Cebu-based exporters have been importing large volumes of wood to meet their requirements.

Still another factor cited by Philexport is the negative effect of the strong peso during the last quarter of 1992. The exporters group said while the value of the peso vis-a-vis the dollar has already reached a competitive level of P27 [Philippine pesos] to \$1, this figure is still far from last year's level of P28.50 to \$1.

And lastly, the country's export sector had to cope with a weak international market for consumer manufactures like garments, fashion jewelry and handicraft.

Philexport said the sector was able to eke out some growth this year due to the hefty increase in exports of electronics and electrical products which swelled by 24.5 percent from \$608 million during the first quarter last year to \$757 million this year. The other export sectors, however, did not fare as well as the electronics sector.

Sugar exports, for example, slid from \$37 million to \$24 million. Fruit and vegetable exports went down to \$102 million from \$104 million; shrimps to \$67 million from \$78 million; minerals to \$157 million from \$167 million; petroleum to \$24 million from \$26 million; and forest products to \$10 million from \$11 million.

NUC Official: Sison NDF Faction Quitting Talks

HK2306140793 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jun 93

[Text] Justice Secretary and National Unification Council [NUC] member Franklin Drilon today confirmed that the orthodox faction of the National Democratic Front [NDF] led by Jose Maria Sison, chairman of the Communist Party of the Philippines, is formally withdrawing from the peace talks sponsored by the government. According to Drilon, the withdrawal will be carried out after three weeks due to internal problems.

Although the government was surprised by the NDF's decision, Drilon said it is true that there are serious conflicts within the leftist rebel movement. Drilon said that, in fact, the government sent three emissaries to the Netherlands to save the talks from imminent failure, but this effort was not successful.

MNLF Faction Admits Bombing Napocor Tower

HK2406124493 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Jun 93

[Text] A splinter group of the Moro National Liberation Front [MNLF] today claimed responsibility for the bombing of a lightweight transmission tower of the National Power Corporation [Napocor]. The group said it will sabotage more such towers if Napocor fails to pay the Maranaos [a Mindanao tribe] for the plots of land it has used.

Haji Abdullah Dalidig, chairman of the Ranao Islamic Association, said he spoke over two-way radio with members of the MNLF splinter group who said they plan to sabotage more Napocor towers. Dalidig said Napocor officials should act on the group's demands immediately or seek agreement with the Maranaos, with which it has land disputes.

Pete Chung, Napocor spokesman, said repair crews have been sent to Rurog Agus, where the felled tower is located, and they expect to restore power within several days.

NDF, NUC Said To Blame for Lack of Progress

HK2406132593 Quezon City ABC-DWET Television in Tagalog 1000 GMT 24 Jun 93

[From the "ABC-DWET News Program"]

[Text] When last October Malacanang approved the four-point agenda of the National Democratic Front [NDF], contained in the joint declaration signed in The Netherlands, hopes rose that the communist insurgency soon would be solved. This hope was shattered, however, because it was followed by attacks from both sides. The government fanned rumors of division within NDF leadership, including doubts raised by some leftists in the credibility of Jose Maria Sison and Luis Jalandoni.

[Begin recording of National Unification Commission, NUC, chairman Haydee Yorac] None of the factions now engaged in the debate, in the conflict, wants to be out-revolutionaried by the others. [end recording]

According to some observers, however, the differences of opinion have a deeper basis. Joel Rocamora and Sison have known each other for more than 30 years. Rocamora now is writing a book about the NDF.

[Begin Rocamora recording in English] Political settlement cannot be an endgame for the struggle. They continue to work on the basis of outright military victory as their end goal, so that distorts the way... [pauses] that if you get into a look at the peace process because then the process simply becomes an arena for political struggle, with the government for showing who is really for peace. [end recording]

Besides the NDF's alleged doubt in peace negotiations as a way of achieving its goals, Rocamora said the NUC also contributes to the problem, resulting in the talks not progressing.

[Begin Rocamora recording in English] They've shown almost as much hesitation to actually engage with the NDF as the NDF has shown. All of this attention to what I think are irrelevant questions like venue and belligerency and whether Mr. Jalandoni is a Dutch citizen or not—I think that these are, in the long haul, in the long term, irrelevant. [end recording]

Government, Military Rebels Set Parameters for Talks

HK2406132693 Quezon City ABC-DWET Television in Tagalog 1000 GMT 24 Jun 93

[From the "ABC-DWET News Program"]

[Text] The government and the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union [RAM-SFP-YOU] today signed a memorandum of agreement paving the way for the second phase of their peace negotiations. In simple ceremonies at the University of the Philippines, the two sides signed the agreement with Professor Alfredo Tadiar signing for the government panel, and former General Edgardo Abenina for RAM-SFP-YOU.

Under the agreement the military rebels may carry small firearms. The group, however, may carry up to 30 arms and 300 rounds of ammunition at any one time. The two sides also agreed that the post of presiding officer will alternate between the two panels. Under the agreement, nothing said or done in the negotiations can be used against RAM-SFP-YOU members.

Thailand

House Committee Denies U.S. Khmer Rouge Allegation

BK2406102793 Bangkok SIAM RAT in Thai 24 Jun 93 p 1

[Excerpt] The Foreign Affairs Committee of the House of Representatives, after a meeting on 23 June, issued a statement rejecting the charge by U.S. Senator John Kerry who stated during a Congress hearing that Thailand clandestinely supports the Khmer Rouge.

In the same statement, the committee also extended to Cambodia congratulations for progress in forming a national reconciliation government and hoped the move would be successful.

First Lieutenant Kuthep Saikrachang, deputy spokesman of the committee and Sisaket MP from the Phalang Tham Party, said the committee decided to send an open letter to the U.S. Senate committee to let it know that the present Thai Government does not support the Khmer Rouge as was charged.

The deputy spokesman said it is surprising to learn that several countries still believe Thailand clandestinely supports the Khmer Rouge. The Thai Government has reaffirmed and has proven that the facts are contrary to the charge. It does not want others to continue having such a misunderstanding.

First Lieutenant Kuthep said the committee has been closely following the situation in Cambodia and hopes the formation of a government after the election will be successful. It also supports the stance of other countries pledging to provide more assistance to the Cambodian Government. [passage omitted]

Paper Backs Army Chief's Reaction to U.S. Charge

BK2506095593 Bangkok SIAM POST in Thai 25 Jun 93 p 4

[Editorial: "A Drop of Honey"]

[Text] The Thai Government should seek to settle with the U.S. Government as soon as possible about the accusation made by Senator John Kerry that Thailand supplied weapons to the Khmer Rouge in violation of the UN resolution.

What happened involves national dignity, something the government, through its Foreign Ministry, should not remain idle about and leave to the impatient Thai people to take into their own hands and protest.

General Wimon Wongwanit, the Army commander, already came out with a strongly worded protest in his capacity as a military leader. He said: "We are not a U.S. colony. The Americans have no right to interfere or look down on us. If I were the foreign minister, I would

protest if foreigners, be they American or any other nationality, say something bad about Thailand."

Gen. Wimon's reaction might not get the approval of some people or politicians since it is the direct responsibility of the Foreign Ministry to protest. Besides, Gen. Wimon himself is a government official, and his action constitutes an interference in the work of the Foreign Ministry.

Well, in principle it is, but, judging from his intention, Gen. Wimon was sincere because he could not put up with Senator John Kerry's charge that Thailand traded weapons with the Khmer Rouge.

There was a similar, or even more serious, incident earlier when the Saudi charge d'affaires, Muhammad Sa'id Khuja, who was upset by the results of the investigation into the cases involving Saudi nationals, criticized the Thai Government's performance and threatened to close the Saudi Embassy in Thailand.

The Saudi charge's act constituted a violation of Thailand's national integrity and sovereignty, in addition to a lack of diplomatic etiquette. However, the Thai Government took no action to protest.

Gen. Wimon's reaction to Senator Kerry's accusation was meant to safeguard national dignity, and had nothing to do with his personal interests. He therefore should be given sympathy despite the fact that he could be blamed for poor ethics.

Meanwhile, the government must immediately prove to the world that the accusation made by Senator Kerry that Thailand supplied weapons to the Khmer Rouge is unethical and irresponsible. Otherwise, there could be another accusation saying that Thailand was obstructing peace in Cambodia.

Paper Urges End of Tolerance of Khmer Rouge

BK2506020593 Bangkok BANGKOK POST in English 25 Jun 93 p 4

[Editorial: "Let Cambodia enjoy a return to normalcy"]

[Text] A month after the long- and nervously-awaited Cambodian elections, a provisional—and fragile—best-case scenario has been achieved. The elections were peaceful and, the outgoing government's temporary bad faith notwithstanding, are acknowledged to have been free and fair. Prince Ranariddh's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Hun Sen's Cambodian People's Party (CPP)—formerly bitter enemies—have, after much dramatic jockeying and posturing, begun establishing an interim coalition and a unified military, rightly under Prince Sihanouk's command. The new National Assembly is set to write a constitution. The Khmer Rouge are running scared.

Much remains to be done, of course. For starters, foreign aid must begin arriving, and soon, so Phnom Penh can

have lights and soldiers and civil servants—reportedly reduced to peddling office furniture—can be paid. This means donor nations must agree, soon, on who is going to give how much of the urgently needed US\$30 million.

Improved peace prospects have strengthened the riel—down to 2,400 to the US dollar—and lowered demand for AK-47s and other non-productive consumer goods. At the same time, UNTAC's [UN Transitional Authority in Cambodia] imminent departure is certain to hurt the economy, especially in Phnom Penh, in the short to medium term. (The UN should earnestly consider the economic and social impact of its forces—22,000 well-paid young foreigners in Cambodia—in future peace-keeping operations.) "Prospects of economic recovery are clearly contingent on resumption of (tax) revenue, aid flows and foreign private investment," asserts a new UN report.

Revenue, aid, and investment all depend on the formation and maintenance of a stable government. This is the task at hand. US president Warren G. Harding called for "a return to normalcy" after the First World War. Normalcy has been in short supply in Cambodia for some time now—arguably since before the brutal French colonial period began—and it is what the country needs more than anything else.

For normalcy to prevail—for Cambodians to have a chance at a decent, happy, comfortable life—that country's neighbours must stick to their promises not to meddle. Vietnam has taken the pledge. So have high Thai officials such as army chief Wimon Wongwanit and Foreign Minister Prasong Sunsiri. "We will not intervene in what they want to do after the election", said Sqn Ldr [Squadron Leader] Prasong the other day, "and we don't want to see any interference from any countries." This is as it should be.

Another prerequisite for normalcy is the quiet, offstage death of the Khmer Rouge. The faction has done a brisk trade in gems and timber across the ill-defined Thai border, and Pol Pot himself is no stranger to Thailand. Our government and armed forces can be crucial in preventing the Khmer Rouge from becoming another Kuomintang—a perpetually stateless army, lurking unhelpfully about a border region.

US official Winston Lord raised hackles here last week when he called Thailand the Khmer Rouge's main supporter. Surely such strong words were unkind and unfair. But throat-clearings and euphemisms—Deputy Secretary of State Clifton Wharton referred to cross-border "leakage" of logs—will not suffice if what we all want—for the Khmer Rouge to disappear—is actually to happen.

US Senator John McCain, in Cambodia just after the election, called on his country to "put more pressure on Thailand to be less accommodating to the Khmer Rouge. Stop the gem trade, stop the timber trade." He and Lord, straightforward Yankees, may have bruised Thai sensibilities, but they have reason to be so forthright.

The Khmer Rouge do business with Thais. The Thai army and Border Patrol Police [BPP] are meant to control the border. If a way can be found to really close the border, and to keep it closed, the perpetrators of this century's most shocking genocide may finally fade into memory—and good riddance. Some Thai business people will have lost a profitable venture. But Cambodia will have gained something infinitely more precious.

The proof is in the pudding. Whether the Khmer Rouge shrivel up for lack of sponsors, or thrive and continue to terrorise Cambodia, is largely in the hands of our military and BPP. Let us hope that all concerned see where everyone's long-term best interests lie, so Cambodia can finally have some well-deserved normalcy.

Medical Council Opposes U.S. Drug Patent Demand

BK2406141893 Bangkok Army Television Channel 5 in Thai 1200 GMT 24 Jun 93

[Text] The Medical Council says that the U.S. demand for pharmaceutical patent protection is aimed at monopolizing the pharmaceutical market, which runs counter to the free market policy.

Summing up their group's stand over the pharmaceutical patent problem, a representative of the Medical Council said that they disagreed with the U.S. request for retroactive protection of seven to 10 years for pipeline pharmaceutical products. He said Thailand already has sufficient pharmaceutical patent protection laws, and if we yield to the U.S. demand, there will be a monopoly in the Thai pharmaceutical market. The prices of pharmaceutical products will be higher. Doctors will also have difficulties in finding medicine for timely control of some diseases.

Thailand now has the Patent Act of 1992 for pharmaceutical patent protection, which covers both the manufacturing process and the products. Yet, the United States still wants Thailand to amend the laws by threatening to use Section 301 to retaliate against Thai exports. The United States is now reviewing agreements under the Generalized System of Preferences which will expire soon.

House Committee To Study Trade Retaliation Impact

BK2406114693 Bangkok Army Television Channel 5 in Thai 1200 GMT 23 Jun 93

[Text] The House of Representatives has set up a House special committee to study the impact of possible U.S. trade retaliation. Akkhaphon Sonsusat, deputy spokesman of the house committee, said that the House of Representatives had set up a special committee to study the impact of possible U.S. trade retaliation after 31 July. The committee will be chaired by Deputy Commerce Minister Churin Laksanawisit. The committee will have 30 days to complete its study on trade

problems between Thailand and the United States and short term impact on Thailand if the United States retaliates under Section 301. The committee will also study long-term measures to solve the problems.

Uthai Discusses Tape Piracy With Industry Official

*BK2306022193 Bangkok BANGKOK POST in English
23 Jun 93 p 15*

[By Somphon Thaphanachai]

[Text] Commerce Minister Uthai Phimchaichon has assured US recording companies that pirated tapes are being removed from the Thai market and that the Government will continue seriously with its crackdown.

But he also warned for the first time that copyright protection is a delicate political issue and that continual pressure for trade sanctions against Thailand is unproductive and could jeopardise the effort.

"I will not allow myself nor my country to be held hostage by constant external threats," he said in a reply to complaints from Jason Berman, president of the Industry Association of America, about the reappearance of pirated tapes on Thai streets.

"They are, in my view, unproductive and could jeopardise the delicate internal balance of often antagonistic and opposing elements. This balance is a necessary condition for any success in putting down piracy in Thailand and it needs to be maintained.

"I hope you agree with me that in the final analysis, an imposition of a trade sanction means that all of us, both in Thailand and the US, fail in our task."

He also accused representatives of the US recording companies of failing to be frank and effective in expressing their more recent concerns. "The concerns that you conveyed to me could have been addressed sooner and in a less roundabout manner," Mr Uthai said.

Mr Uthai's comments are contained in a letter sent this week to Mr Berman, with copies also sent to US Trade Representative Mickey Kantor in Washington and to David Lambertson, US Ambassador in Bangkok.

The minister has been criticised for yielding too easily in negotiations in Washington at the beginning of May, and for failing to raise Thai objections to some US demands.

His latest letter is a reply to a complaint from Mr Berman who said in a strongly-worded note earlier this month that pirated audio tapes were reappearing in Bangkok and other Thai cities.

Mr Uthai said the tapes that were reappearing were old tapes and that the outlets selling them have shifted from stores to street-side stalls.

"Major manufacturers/distributors, on the other hand, have had very little activity," he said.

Mr Uthai added that copyright-holding record companies had confirmed an 80 percent increase in sales of copyrighted tapes in May compared with May of last year.

Mr Berman, in his letter dated June 9, said the reappearance of pirated music cassettes "is, as you can well imagine, a very unwelcome development. We will not tolerate it". A copy of the letter was also sent to Mr Kantor.

Mr Berman acknowledged that Mr Uthai was preoccupied with the censure motion in Parliament, but reminded the minister of the commitment given in the Washington talks to continue the crackdown on piracy.

"I understand that due to the political developments ... you have not been able to focus or continue anti-piracy actions as discussed in Washington," Mr Berman said.

"As you are well aware, our decision not to request the imposition of trade sanctions was based on your personal commitment to effectively deal with this issue. We will not sit idly by and watch conditions deteriorate.

"I offer this, not as a threat, and I trust that you will not take it as such. Rather it is my sense that frank and open communication is an essential ingredient of our relationship and of effectively dealing with piracy."

Mr Berman urged Mr Uthai to "take all necessary actions in the very near term before the recent re-emergence of pirate product takes on trade consequences.

Mr Berman also complained about the recent decision to bring audio and video tapes under the price control law. He said he did not question Mr Uthai's administration of the law, but "we are extremely troubled by the possibility of abuse by others.

"I urge you therefore to delete the reference to pre-recorded music in the price control regulations."

The Commerce Ministry argues that bringing tapes under the regulations will help control piracy. The regulations allow officials to require controlled products to be properly labelled, a move that the ministry believes will make piracy more difficult. The record industry counters that the regulations are too restrictive.

In his letter, Mr Uthai told Mr Berman that Bangkok representatives of the International Federation of the Phonographic Industries [IFPI] "admit that major producers of pirate sound recordings have been effectively deterred from manufacturing such pirate products."

The IFPI representatives also confirmed that sales of copyrighted tapes rose from about 100,000 in May last year to 180,000 last month, he said.

He did not refer to Mr Berman's complaint about bringing tapes under the price control law.

Firm Set Up To Develop Russian Military Sales

*BK2506015193 Bangkok BANGKOK POST in English
25 Jun 93 p 3*

[Text] A NEW Thai firm has been established to develop Russian military sales to the Thai armed forces.

The managing director of Russthai Ptd Ltd, Kroeksak Sakbordin, said he was preparing for demonstrations and talks on military sales for a Thai armed forces visit to Russia, probably in August or September.

"We have indicated several items of interest, but we are not in a position to decide. That will be up to the armed forces," he said.

His company hosted a visit to Bangkok in May by officials from the State Committee of Defence Branches of Industry. Russthai, which includes a number of Thais well known in the military sales sector, has been appointed the Bangkok agent for promotion of Russian military exports to Thailand.

Mr Kroeksak has been in Moscow this week, where he met the deputy chairman of the State Committee, Gennadiy Dzhanpolskiy. He will also visit Nizhniy Novgorod (formerly Gorkiy) to meet producers of heavy trucks used by the Russian Army. He said he anticipated Thai interest in the trucks, as well as in the Mi-17 helicopter.

Weapons systems that are likely to be considered when the Thai armed forces delegation visits Russia include air defence missiles, other missiles, T-72 tanks and army rifles.

The possibility of a Russian offer of specially equipped and priced MiG-29 air defence fighters was discussed early this year, when the Thai ambassador to Russia, Kasit Piromya, visited one of the MiG-29 production facilities in Nizhniy Novgorod and received detailed briefings on its performance in simulated tests against the US-built F-16 now operated by the Thai Air Force.

The chief designer of the MiG-29, Anatoliy Belosvet, said that F-16 engines perform less well in tropical conditions. He claims the US aircraft are less manoeuvrable in combat, with a poorer safety record than the MiG-29.

The German Air Force is operating the F-16 and the MiG-29 in tandem, having taken over the Russian-built aircraft from the former East German air force.

Interest in the MiG-29 has grown as ASEAN members like Malaysia have evaluated the aircraft against its US, British and French competitors. Although Malaysian Prime Minister Mahathir Mohamed reportedly favoured buying the MiG-29 last December, intensive lobbying by

US interests and political infighting in Kuala Lumpur have swung the Malaysian decision towards an American acquisition.

2d Study for Thai-Lao 'Economic Highway' Begins

*BK2306022793 Bangkok BANGKOK POST in English
23 Jun 93 p 2*

[Text] Thailand and Laos plan to develop an economic highway between Ubon Ratchathani Province and Champasak District, probably connecting with Phnom Penh, the secretary to the Transport Minister, Thanet Phonphiphatphong, said yesterday.

The exact length of the highway has yet to be determined but Deputy Transport Minister Chawat Phuachuai will head a second survey team starting today through Sunday, he said.

Thailand will upgrade the section of the highway from Ubon Ratchathani to Chong Mek Pass and Laos will be responsible for works between Chong Mek and Pakse, the capital of Champasak, and the Mekong River crossing to Mouang Kong, said Mr Thanet.

The works will upgrade the laterite road into a two-lane asphalt highway to enable tourists to visit the attractions in Mouang Kong including the freshwater dolphins and the "Laotian Niagara," Li Phi Waterfall.

Laos had been granted a 500 million baht loan from the Asian Development Bank to upgrade the laterite road from Chong Mek Pass to Mouang Kong.

The Interior Ministry has allocated about 500 million baht for the highway from Ubon Ratchathani to Chong Mek and the building of a customs facility at the pass, he said.

The highway is expected to be completed by 1996.

The highway also pens the possibility of a tripartite economic ringroad linking Thailand, Laos and Cambodia as Mouang Kong borders northern Cambodia, said Mr Thanet.

Studies will be conducted into the link between Mouang Kong and Phnom Penh, and Thailand also is now keen to develop a highway between the Cambodian capital and Prachin Buri Province's Ta Phraya District, he said.

PRC, Laos Endorse Draft Agreement on Road Links

*BK2506021593 Bangkok BANGKOK POST in English
25 Jun 93 p 7*

[Text] THE Chinese and Laotian governments have endorsed a draft agreement calling for detailed studies of two road proposals to link their countries with Thailand and Burma, Deputy Foreign Minister Surin Phitsuwan said yesterday. The draft was drawn up by technical officials of the four countries during a meeting in

Bangkok on May 27 and 28. Mr Surin said the Burmese Government was still considering the draft and was likely to agree with it.

Land transport is the first project for developing cooperation between the four countries in the upper reaches of the Mekong River emerging as a new growth quadrangle.

Technical officials set August as the target for completion of the studies—on proposed roads passing from Chiang Rai Province to southern China via Burma's Kengtung Province and Laos' Luang Nam Tha to enable funding to be sought at the Asian Development Bank [ADB] meeting in Manila.

Mr Surin said China had expressed support for Thailand representing the group of four in looking for funding.

The ADB, the United Nations Development Programme (UNDP) and the Economic and Social Commission for Asia and the Pacific (ESCAP) sent observers to the meeting.

As for whether human rights violations in Burma would be an obstacle, he said: "No problem. This is a multilateral project. If one part of the world community hesitates, no problem, because there are other countries interested in speeding up development in Indochina."

Mr Surin said the Laotian Government had shown a more positive stance on river transport.

Laotian officials initially voiced reservations about charting a new route along the Mekong River, citing the possibility of environmental damage.

Mr Surin said Laos, Thailand, Vietnam and Cambodia would meet on June 27 and 28 to pursue discussions on a new framework for cooperating in the development of the Lower Mekong Basin.

Paper Details 1994 Budget, Growth Rate

*BK2406032793 Bangkok BANGKOK POST in English
24 Jun 93 pp 13, 22*

[Text] The Government expects an economic growth rate in 1994 of between 8.08.5 percent, partially spurred by its own investment budget of 213,474.5 million baht [bt] or 34.2 percent of GDP—the highest rate in years.

The Government also expects that exports next year will expand in line with the anticipated recovery of the world economy, helping improve the trade and current account deficits.

In 1991, the trade and current account deficits were equivalent to 9.9 percent and 7.7 percent of GDP respectively. This year, they are expected to decline to 7.2 percent and 5.3 percent of GDP, and the Government hopes they will fall to 6.2 percent and 4.5 percent next year, which would be the best performance in several years.

In setting the 1994 fiscal budget, of which a draft would be presented to Parliament next week, the Government has continued to concentrate on accelerating rural development and investment in basic infrastructure.

In doing so, according to a government paper, a huge budget is needed and the Government had decided to impose a deficit budget for the second consecutive fiscal year. The previous government had carried balanced budgets in 1991 and 1992 and the Chuan Government ran a deficit budget last year.

The Government set a total expenditure budget of 625,000 million baht for 1994. It expects its gross revenue in fiscal 1994 to amount to 655,510 million baht and net revenue after tax refunds to be 600,000 million baht. That meant it would have to borrow about 25,000 million baht to offset the deficit.

The Government said the budget for fiscal 1994 would be allocated to enable it to achieve its major policies in six areas.

The first one was the distribution of development to regional and rural areas. The Government had set a 133,114.2-million-baht budget for this purpose, which would be spent on supporting the restructuring and adjustment of agricultural production to suit location and market demand.

The budget would also be spent on land reforms, accelerating industrial development distribution to regional and rural areas, expanding a fund to distribute production to all regions of the country, expanding main roads throughout the country to four lanes, building nine regional airports and constructing a 234-kilometre doubletrack railway.

The second policy, which requires a budget of 96,559.0 million baht, is to develop human resources and quality of life. The major task of this policy is to expand basic education from six to nine years to 1.38 million students throughout the country. Improvement of public health facilities and water sources will also be implemented.

The Government will also spend 11,254.4 million baht in conserving, rehabilitating and developing natural resources and the environment. Reafforestation of 2.66 million rai will be implemented.

A total of 3,712.8 million baht will be spent on the development of science, technology and energy.

The fifth policy is the rehabilitation of Bangkok and its outskirts with a budget of 9,214.8 million baht. The major problem for Bangkok is traffic congestion, so the Government plans to construct 34 new roads. It will also build 7,221 residential units for low-income earners and improve the living standards of 2,762 crowded communities.

The last policy concerns commerce, tourism, security and other areas. To achieve this policy, the Government plans to spend 50,218.2 million baht to support domestic

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and international trade, promote tourism, improve the efficiency of the armed forces and improve the welfare of junior police officers.

The Government plans to spend 59,935 million baht or 9.6 percent of the total budget on agriculture. The main task is to solve the problem of the low prices of farm products. The development of water sources will cost 12,557 million baht.

A budget of 6,683 million baht in the category has been allocated to research and promotion of agriculture.

The second category is industry and mining, which will obtain 2,136 million baht or 0.4 percent of the total budget.

The Government plans to spend 53,450.9 million baht or 8.6 percent of the total budget on transportation and telecommunications. The main tasks are the construction of 34 new roads in Bangkok and the expansion of 14 highways, covering 759 kilometres, into four-lane roads.

A total of 4,485.8 million baht or 0.7 percent of the budget will be allocated to maintain fair and free trade market mechanisms while stabilising the price levels of farm products, intervening in the market to protect farmers from being taken advantage of, to promote exports and to explore new export markets.

Other categories include 10,528.9 million baht or 1.7 percent for science, technology, energy and the environment; 124,541 million baht or 19.9 percent for education, 44,398 million baht or 7.1 percent for public health; 71,394 million baht or 11.4 percent for social services; 95,248.4 million baht or 15.2 percent for national defence, 30,106 million baht or 4.8 percent for interior security; 69,915.5 million baht or 11.2 percent for general administration and 58,858.7 million baht or 9.4 percent for debt servicing.

On the revenue side, gross revenue earnings are projected to include gross tax collection of 579,968 million baht and 42,100 million baht in contributions from state enterprises.

Of tax collection, about 334,705 million baht (up 13.84 percent) would come from revenue tax, 129,549 million baht (up 13.36 percent) from excise tax; and 109,800 million baht (up 18.64 percent) in customs tax.

For debt servicing, the amount will be 3,989.3 million baht lower than this fiscal year. Of the total debt servicing budget, 35,642.1 million baht will be for repayment of loan principal.

As of March 31 this year, the Government's domestic debt amounted to 290,984.3 million baht, including 40,561 million baht borrowed from the Bank of Thailand, 64,804.3 million baht from the Government Savings Bank and 185,529 million baht from commercial banks and other sources.

The Government's external debt as of the same date amounted to US\$12,224.6 million.

Budget Structure

	Fiscal 1993		Fiscal 1994	
	(bt bn)	Change percent	(bt bn)	change percent
EXPENDITURES	560.0	21.6	625.0	11.6
(percent of GDP)			17.6	
Fixed expense	351.1	16.3	375.9	7.1
percent of total budget	30.6		34.2	
Debt Service (principal)	37.3	33.7	35.6	-4.5
percent of total budget	145.7		5.7	
REVENUE	560.0	21.6	625.0	11.6
Income	534.4	16.1	600.0	12.3
Borrowing	25.6	—	25.0	-2.3
GDP	3,130.0	11.8	3,550.0	13.4

Budget allocation

	Fiscal 1993 (bt bn)	Fiscal 1994 (bt bn)	Change from 1993	
			Amount	Percent
Economic development	110.7	130.5	19.9	17.9
Agriculture	48.7	59.9	11.2	23.0
Industry & Mining	1.9	2.1	0.2	9.9
Transportation and Telecommunications	46.9	53.5	6.5	13.9

Budget allocation (Continued)

	Fiscal 1993 (bt bn)	Fiscal 1994 (bt bn)	Change from 1993	
			Amount	Percent
Commerce and Tourism	5.8	4.5	-1.3	-22.3
Science, Technology, Energy and Environment	7.3	10.5	3.2	44.5
Social development	206.3	240.3	34.1	16.5
Education	109.7	124.5	14.8	13.5
Public Health	36.5	44.4	7.8	21.5
Social Services	60.0	71.4	11.4	19.0
Security	114.3	125.4	11.1	9.6
National security	89.0	95.2	6.3	7.1
Interior security	25.4	30.1	4.7	18.6
General administration	65.9	69.9	4.1	6.1
Debt Service	62.8	58.9	-4.0	-6.3
TOTAL	560.0	625.0	65.0	11.6

Vietnam**Reportage on Ninth National Assembly Session****Vu Mao Report on Voters' Views**

BK2406142593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Jun 93

[“Last part” of recapitulative report on nationwide voters’ views presented to the Ninth National Assembly’s Third Session by Vu Mao on behalf of the National Assembly Standing Committee at the Assembly’s opening session on 16 June—read by announcer; for parts one through three of this report, see the 23 June and 24 June issues of the East Asia DAILY REPORT]

[Text] Concerning social issues, the voters are taking note of state efforts to develop the economy as well as its achievements in resolving various social problems. The voters welcome the state policy on assisting veteran revolutionaries and those who have given meritorious service to the state, the policy on building houses for families of fallen soldiers, and the policy of granting loans to poor people to promote production and resolve the unemployment problem.

The voters also raise various pressing social issues that must be urgently resolved which include:

A. The unemployment problem. Many voters contend that the rate of unemployment in Vietnam at present is very high, especially among the group of young workers. This problem has contributed to many social vices such as theft, prostitution, and so forth. The voters welcome the recent state decision to allot an 830 billion dong budget for rearranging the labor force and resolving the unemployment problem. About 250 billion dong of this allotment will be used to create more jobs for workers.

Voters, however, expressed concern about the slow distribution of this budget for the task. A number of voters questioned setbacks in the distribution of money, casting their blame on administrative red tape and the inability of the officials concerned. The voters also contend that it is necessary to speed up the distribution of money to implement Decision Nos. 111, 176, and 315 on planting trees on denuded land and bare hills and on creating more jobs for workers. The voters also suggested that the state simplify and strengthen regulations on granting loans to people to expand production and business, promote and diversify forms of vocational training, broaden labor cooperation, and set up funds to provide help to jobless workers.

At present, in various major cities, especially in Hanoi, a spontaneous labor market has formed. Each day, hundreds of people, mostly young laborers from the countryside, flock to various Hanoi streets waiting for somebody to hire them to do any kind of labor to earn a few thousands dong to help their families. The voters contend that the state must pay attention to rearranging this labor market to protect the laborers’ interests while ensuring social order and discipline in the capital. Moreover, a large number of other laborers are also heading to the capital to work as pedicab drivers. Thousands of people from outlying areas and adjacent provinces have come to Hanoi to engage in pedicab driving, thus increasing the number of pedicab drivers to an alarming figure. This sometimes causes negative competition in offering service to their clients. A number of voters suggest that the authorities and trade unions of major cities set up an association or union of pedicab drivers. This kind of organization will help them enhance their relationship and unity to help one another and to end the negative competition while protecting their legitimate rights.

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B. Such social vices as gambling, drug addiction, fortune telling, and prostitution are the problems of prime concern to our society at present. These social ills not only damage the traditional ethics and social values of our nation but also cause serious consequences to our society, especially when AIDS begins to ravage our country. The voters urge the state to formulate uniform and positive measures to stop and gradually eliminate these social vices.

C. While welcoming initial results scored by the market economy, many voters express concern about the adverse consequences brought about by this economic system, especially the widening gap between the rich and poor and between cities and rural areas. As a result, voters warmly welcome the state policy on fighting hunger and poverty. Moreover, many voters hold that the state should formulate concrete measures to improve the distribution of income to ensure social justice while paying special attention to developing the rural areas.

D. Population activities and family planning play a particularly important role, given the fact that our country is small in size but has a large population. Over the past few years, the state has made many efforts in this domain. Our country's population growth rate, however, remains high, thus neutralizing the initial results of our economic development.

Many voters urge the National Assembly to adopt special resolutions on population activities and family planning. Furthermore, it is necessary for the state to make adequate investments in this respect, particularly in the supply of technical equipment to those medical centers in charge of family planning.

E. Over the past years, the Ministry of Public Health has made many efforts to satisfactorily organize the public health care network, as well as to provide additional equipment in support of medical care and treatment. The majority of voters, however, contend that our public health care system continues to deteriorate. Not a small number of voters complain about the poor performance of some medical workers, as well as about the tendency to commercialize people's health care and protection.

Many voters also express their concern over the pollution of the environment due to industrial waste and forest destruction. The spread of many epidemics, especially AIDS, has also affected our life environment to a serious degree. To contain the consequences of those epidemics, many voters stress the need for the state to implement an enlarged immunization program to cover all children, especially those in localities with many difficulties.

Many voters agree with the need to apply a health insurance policy. Some, however, complain about the fact that health insurance cards are not valid unless they are presented to hospitals belonging to the same insurance chain, and about the fact that those people who pay cash often receive better care and treatment than those who use health insurance cards. Many voters stress the

need for the state to give hospital-fee exemptions or reductions to beneficiaries of the social welfare program and needy people. A number of voters propose building a system of nonprofit hospitals to serve the poor.

F. Many voters express their concern over the slow development of economic and cultural activities in areas inhabited by ethnic minority and Montagnard compatriots. Their chief concern lies in the fact that despite the recent achievements of the renovation cause, the gap of development between the lowlands and mountain regions has widened instead of narrowed. The promulgation of Decision No. 72 of the Council of Ministers, now the government, on socioeconomic building and development in the mountain regions, is welcomed by many voters. Only slow steps, however, have been taken to apply this decision in reality. Voters in those areas inhabited by ethnic minority and Montagnard compatriots urge the state to set up a committee to oversee the implementation of this decision.

Furthermore, voters in the mountain regions suggest that the state make adequate investment in the settled life and settled farming program, help with road construction and with the building of small- and medium-sized farmland irrigation projects, implement the drive to allot land and forest land to the people, adopt measures to protect dikes and watershed forests, set up a public health care system to serve the people, work out plans to gradually overcome and then eradicate chronic diseases such as malaria and goiters, which affect ethnic minority compatriots; help the local governments eliminate poppy planting, and set up and improve the quality of treatment in rehabilitation centers.

G. In recent days, the incident at Thien Mu Pagoda in Hue has drawn the concern and attention of voters nationwide. Many voters express their support for the local administration's way of handling the disturbances of public order and security in Hue. They, however, maintain that dissemination of information about this incident was slow, thus causing confusion among the people and, henceforth, it could easily create loopholes for bad elements to carry out propaganda activities to distort the truth. Buddhist voters at Quan The Am and Xa Loi Pagodas, as well as at the Institute of Higher Studies in Buddhism in Ho Chi Minh City, maintain that wrongdoings aimed at upsetting public order and security must all be contained and dealt with to the full extent of the law.

Voters in many localities, however, stress that given the current situation, it is of primary importance to fully understand and seriously implement the party's all-people great solidarity policy. It is necessary for the state to study to amend or supplement the provisions governing the freedom of religions to create conditions for the people to perform their religious activities. Monks, nuns, and Buddhist followers in Ho Chi Minh City express the hope that the state will issue a directive to guide the local administrations at all levels in simplifying a number of procedures related to the activities of the

Buddhist Church. A number of voters in other localities suggest that in the days ahead, the National Assembly should study the formulation and promulgation of the law on religions.

Apart from the aforementioned issues, in their meetings with National Assembly deputies, voters also touched on other social issues such as the adjustment of wages; policies toward families of war invalids, fallen combatants, and those with meritorious service to the revolution; the system of preferential treatment for cadres and combatants who are seriously ill; the operational regulations for senior citizens associations; the livelihood of retired cadres; and so forth.

4. [number as heard] In the areas of national defense and security, one of the important achievements recorded by our country in the recent past is our ability to firmly maintain political stability, social order, and safety. Voters in many localities hold that this is an extremely important condition for economic construction and national development. In view of this, the important task for our state in the days ahead is to continue maintaining this stability.

At various meetings with National Assembly deputies, voters intensively raised a number of questions concerning national defense and security as follows:

- Measures should be adopted by the state to further enhance the ability to defend the country, especially border and sea areas, and offshore islands.
- The National Assembly should study and promulgate a law on national borders. In the immediate future, it should promulgate regulations on territorial waters to serve as the basis for defining fishing zones, registering and controlling vessels and boats, and restoring order at sea.

To successfully resettle people on offshore islands, plans should be formulated to cover empty land on offshore islands with greenery and to build and develop the road, irrigation canal, and sea dike networks.

The recent working visits to various islands in the Gulf of Tonkin, as well as to the Truong Sa [Spratly] Islands, have promptly lent encouragement to the people and armed forces on these frontlines of the fatherland. Voters on these islands suggest that the National Assembly, government, and people throughout the country attach greater interest to these sea areas and offshore islands. They also suggest that plans be formulated to carry out socioeconomic development and to beef up national defense and security on these islands in a way that is commensurate with the importance of these islands.

5. Regarding the struggle against corruption and smuggling, this is one of the prominent issues discussed at various meetings with voters. In many localities, voters note that in the recent past the government has demonstrated a high determination in the struggle against

corruption and smuggling. Nevertheless, corruption and smuggling have not diminished. This situation stems from many facts.

Voters hold that these vices can only be weeded out with the adoption of accurate measures. One of the fundamental causes of corruption and smuggling is the issue of the mechanism. It is the loopholes in our management regulations which serve as the breeding ground for negative vices. For instance, the practice of kicking the ball while blowing the whistle in many law enforcement agencies is paralyzing their ability to manage and pass judgement, and the fixing by the state for the construction sector of some unit prices that are higher than market prices is offering an opportunity for many people to enrich themselves through price differences.

Referring to the smuggling situation, voters in Trang Bang District of Tay Ninh Province raise a question of great concern: the state of poverty and difficulty that has compelled people to engage in smuggling for a living. Life in villages bordering on Cambodia, in Trang Bang District, which formerly served as revolutionary bases, is very difficult now. Every year, these villages suffer from drought for five or six months. As a result, local peasants have no water for cultivation. They do not even have enough water for their daily consumption. The best way out for many of them is to engage in cross-border smuggling. In fact, they serve only as hired laborers to the big-time smugglers. All they can earn from each trip across the border is 5,000 to 7,000 dong. They would have nothing left if caught, and that would make their life even harder.

In fact, struggling against this type of smuggling with administrative measures is not enough and may lead to a furious confrontation between a number of the laborers and administrative organs. Voters maintain that the important thing is that along with the adoption of the aforementioned measures, attention should be paid by the state to solving pressing problems concerning production and daily life for peasants in the border areas. This includes investment in the construction of water conservancy projects in support of production and daily life.

Voters in many localities hold that eliminating corruption and smuggling is a protracted struggle that must be carried out persistently and continuously by the state on the basis of uniformly enforcing economic, administrative, judiciary, propaganda, and educational measures and changing the mechanism of management.

Meanwhile, voters in Ho Chi Minh City suggest that the government inform the people of progress in settling the 10 major cases that are currently the center of public attention.

Discussions on 21 Jun Noted

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[Report by station correspondent Hoai Thu on the 21 June plenary meeting of the Ninth National Assembly's Third Session at the Ba Dinh Conference Hall in Hanoi—portions are recorded]

[Summary] Dear friends, yesterday afternoon 21 June, after holding group discussions, National Assembly deputies attended a plenary session at the conference hall to discuss the draft law on oil and gas. The National Assembly heard Chairman Nong Duc Manh deliver a speech welcoming Vietnam Journalist's Day and a report by Le Xuan Trinh, minister and head of the Government Office, on the draft law on oil and gas.

"Afterward, National Assembly deputies discussed issues related to this draft law. A total of 23 deputies expressed their viewpoints. Generally speaking, all deputies contend that it is necessary to have the law on oil and gas, especially in the present situation. Organizationally, it is essential to have a state oil and gas agency attached to the government to handle tasks related to the production, business, and management of oil and gas. All deputies unanimously agreed that the law be called the Law on Oil and Gas."

Dealing with this issue, Deputy Do Quoc Hung of Vung Tau Province said:

[Begin Do Quoc Hung recording] I totally agree that the law be called the Law on Oil and Gas. The government's report stresses the need to promulgate the Law on Oil and Gas; this is a correct assessment. I also agree that we should have a state agency to handle oil and gas production. Immediately, we should charge the government with the task of setting up this agency to effectively manage oil and gas production and business activities. [end recording]

At the same plenary meeting, many deputies paid special attention to the draft law on taxes levied on the exploitation of natural resources and incomes derived from oil and gas exploitation. Deputy Le Duc Duoc from Thanh Hoa Province said:

[Begin Le Duc Duoc recording] I think that we should have the same tax tariff levied on the exploitation of natural resources, while the tax levied on incomes derived from oil and gas can be varied. "This is because when an oil exploiting company can easily tap oil in an area with favorable conditions, it can earn more income. Thus, it should pay more taxes. This is a scientific tax collection method. I suggest that we set a tariff of 15 to 85 percent levied on incomes derived from this category. In Indonesia, for instance, they use the same tax collection method—that is, if a company taps oil in areas with favorable conditions, it has to pay more income tax, ranging from 15 to 85 percent.

"As for taxes levied on the exploitation of natural resources, we should apply the same rate and not from 6 to 25 percent. We should encourage a company exploiting oil in difficult areas by reducing their income taxes." [end recording]

In response to this issue, Deputy Ho Te [title as heard] of Haiphong municipality said:

[Begin Ho Te recording] "Regarding taxes levied on the exploitation of natural resources, we cannot apply the same tariff on this category because there are near, far, shallow, and deep oil and gas fields. Thus, we have to apply a range of 6 to 25 percent. This is because when we offer oil-exploration concessions to foreign companies, we must attach geological maps for them to study before making any decisions. In some countries they set a 6- to 30-percent range or more, but in our case we set a range of 6 to 25 percent to encourage oil companies. We also set a tariff of a 6-percent tax for an oil rig that can tap 15,000 barrels per day and 10 percent for 15,000 to 30,000 barrels per day, and so forth. This is an international practice. I want to say here that taxes levied on the exploitation of natural resources can be collected immediately and easily checked, while taxes levied on incomes are more difficult to collect and are normally settled at the year-end period." [end recording]

Concerning the name of the state agency responsible for managing production and business activities of the oil and gas sector, many deputies suggested different names ranging from department, general department, committee, commission, ministry, and so forth.

Dealing with this issue, Deputy Pham Quang Du of Ho Chi Minh City said:

[Begin Pham Quang Du recording] We deputies from Ho Chi Minh City agree with the government's suggestion that Article 39 of this draft law be revised as follows: "Article 39: The SRV Government uniformly manages the oil and gas production activities and sets up a government agency to handle state management over oil and gas production. The prime minister shall set up a national oil and gas council to assist him in studying, providing guidance, and resolving important issues concerning oil and gas." I suggest that we maintain the national oil and gas council as stipulated in Article 39 of this draft law. [end recording]

Contributing his views on the same issue, Deputy Le Xuan Tung from Hanoi said:

[Begin Le Xuan Tung recording] I suggest that we name this agency the Oil and Gas Committee. This is because we already have the Oil and Gas Council and it has not been officially recognized by the law. Now we are discussing setting up an agency to carry out the staff function for oil and gas production. I suggest that we call this agency a committee. [end recording]

Dealing with the formation of a mechanism for the oil and gas sector, many deputies suggested that this mechanism be able to promote production and business in oil and gas while ensuring national defense and security. Several deputies from the armed forces presented their views on this issue, including the right to conduct aerial surveys for oil and gas exploration. Speaking on this issue, Deputy Chu Duy Kinh of Hanoi said:

[Begin Chu Duy Kinh recording] "We must protect our sovereignty of aerial surveys for oil and gas exploitation. We should not allow foreign oil exploration companies to carry out aerial surveys which are beyond our control over our territorial waters. We know that the Vietnam Aviation Service Corporation has a monopoly in carrying out aerial services over Vietnamese airspace. However, in practice, it may hire foreign aircraft or enter into joint ventures with foreign aviation companies to carry out the task. This is because we have a regulation stating that the Vietnam Airlines Company may charter foreign aircraft to fly over Vietnamese airspace. As a result, we must reserve the right to conduct aerial surveys over our own territorial waters by asking foreign oil companies that won oil exploration concessions to hire our aircraft to do the job. By doing so we may help reduce spending on oil exploration while ensuring our national defense and security." [end recording]

At the end of yesterday's session, National Assembly Vice Chairman Dang Quan Thuy reviewed the views of National Assembly deputies on various issues and charged the government with the task of condensing ideas from deputies to revise and supplement various draft laws before submitting them to the National Assembly for approval in the next session.

Today, 22 June, the National Assembly continues its plenary session at the conference hall in Hanoi to discuss the draft law on publications.

Communiqué No 5 Issued

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[Text] On 24 June, the National Assembly held a plenary session in the conference hall. In the morning, National Assembly Vice Chairman Phung Van Tuu conducted the meeting. The National Assembly discussed the draft law on authority and the process of promulgating legal stipulations and documents after the report delivered by Justice Minister Nguyen Dinh Loc on issues relating to this draft law.

Sixteen National Assembly deputies expressed their views: Nguyen Khac Tao of Ha Tinh, Phan Van Huy and Nguyen Viet Dung of Ha Bac, Huynh Nghia of Quang Nam-Da Nang, Le Duc Binh of Ninh Binh, Duong Minh Chuong of Ha Giang, Bui Huu Khai of Vinh Phu, Luong Cong Doan of Phu Yen, Nguyen Van Tu of Dong Nai, Tran Du Lich of Ho Chi Minh City, Le Thi Ky of Nghe An, Hoang Dinh Cau of Ha Tay, Vuong Thi Nghi of Lao

Cai, Pham Van Kiet of Can Tho, Tran Ha Thanh of Lam Dong, and Nguyen Van Tan of Thai Binh.

While discussing the draft, the deputies contended that the task of building procedures for legal documents needs to be on the right track and in good order to be able to increase efficiency in the social management of documents and to strengthen the socialist legal system in the legitimate state of Vietnam.

Many expressions focused on important issues such as the limit of the amending authority mentioned in the draft; conceptions of different patterns of legal documents; and procedures for promulgating various types of documents, especially documents issued by people's councils and people's committees at different levels. There were suggestions for further study and discussion for perfecting the draft.

In the afternoon, National Assembly Chairman Nong Duc Manh led the session. The Assembly heard Nguyen Cong Tan, minister of agriculture and the food industry, who delivered on behalf of the government a report on the draft amendment of the land law, and on the draft law on tax exploitation of agricultural land. Ha Manh Tri, head of the National Assembly's Law Committee, delivered a report on the draft amendment of the land law. Nguyen Thanh Phong, deputy head of the National Assembly's Economic and Budget Committee, reported on the draft law on tax exploitation of agricultural land. Do Quoc Sam, minister in charge of state planning, reported on the government's behalf on the draft law on state enterprises. Mai Thuc Lan, head of the National Assembly's Economic and Budget Committee, spoke on the committee's behalf on the draft law on state enterprises.

On 25 June 1993, the National Assembly will continue the plenary session in the conference hall to hear reports on the drafts of laws, statutes, and other matters.

Proceedings for 25 Jun Detailed

BK2506060693 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 25 Jun 93

[Text] This morning, 25 June, the Ninth National Assembly held its plenary session at the conference hall in Hanoi under the chairmanship of National Assembly Chairman Nong Duc Manh.

National Assembly deputies heard Do Quoc Sam, minister and chairman of the State Planning Commission, on behalf of the government deliver a report on the draft law on bankruptcy of business establishments; and Ly Tai Luan, deputy chairman of the National Assembly's Economic and Budget Committee, delivered a report on the committee's views on this draft law.

Afterward, Vu Mao, member of the National Assembly Standing Committee, on behalf of his committee delivered a report on the draft law on procedural matters in the work of National Assembly deputies and delegations. National Assembly Vice Chairman Phung Van Tuu, on

behalf of the National Assembly Standing Committee, delivered a report on the draft law on procedural matters in the work of the National Assembly Standing Committee. National Assembly Vice Chairman Dang Quan Thuy, on behalf of the National Assembly Standing Committee, delivered a report on the draft law on procedural matters in the work of the Nationalities Council and other National Assembly Committees. Vice Chairman Phung Van Tuu, on behalf of the National Assembly Standing Committee, delivered a report on the revision and supplementation of 1993 legislative work.

At the end of this morning session, National Assembly Vice Chairman Dang Quan Thuy, on behalf of the National Assembly Standing Committee, delivered a report on the election of more members to several National Assembly Committees.

This afternoon, National Assembly deputies will hold group discussions to debate the draft bill on amendments to the law on land.

National Assembly Hears Draft Land Law

*BK2506143993 Hanoi VNA in English 1339 GMT
25 Jun 93*

[Text] Hanoi VNA June 25—The National Assembly yesterday listened to the draft land law presented by the minister of agriculture and food industry before it went to plenary session debates.

While reiterating that land is national property and belongs to the state, the draft law lists these incontestable five rights of the land user: to use, sell, transfer and inherit land as well as using it as collateral on bank loans within the prescribed term and provided he uses it as purported. The draft law provides for longer use terms than up to now: 20 years for annual crops and aquaculture, and 50 years for perennial trees. An organisation or individual who has effectively used the land allotted him will be allowed to continue using it if he wants to and be judged capable of doing so. Regarding the transfer of the land use right and the accumulation of agricultural land, the draft law provides that each family must not receive more than two or three hectares for their annual cultures, depending on the situation in each locality. As for foreign organisations and individuals, international organisations and Vietnamese organisations and individuals in joint ventures with foreign partners, the prime minister will have the last say in such matters as land use term, land rent as well as the rights, interests and obligations of the user. The government will also decide the extent to which a Vietnamese organisation or individual in a joint venture with a foreign company may contribute to the authorized capital with the value of the land. But any change of the purpose of land use to form a joint venture with a foreign partner must get permission from the government.

Vo Van Kiet Tours Possible Sites for Hanoi University

*BK2106070893 Hanoi VNA in English 0608 GMT
21 Jun 93*

[Text] Hanoi VNA June 21—Prime Minister Vo Van Kiet yesterday morning made a field survey tour of a number of places on the outskirts of Hanoi recommended for sites for the construction of a national university centre.

This is one of the two national university centres to be built in Hanoi and Ho Chi Minh City.

The prime minister was accompanied by Nguyen Khanh, deputy prime minister; Do Quoc Sam, chairman of the State Planning Commission; Tran Hong Quan, minister of education and training; Ngo Xuan Loc, minister of construction; and Le At Hoi, mayor of Hanoi.

The National University Centre-Hanoi will be built on the basis of the present Hanoi University with the main immediate objective of rearranging the network of the higher education institutions and creating conditions for the raising of the training quality at the university level in Hanoi.

The Ministry of Education and Training, the State Planning Commission, the Ministry of Construction, and the Hanoi People's Committee are assigned to choose an appropriate place in July to submit to the state for approval.

Reportage on European Visit by Vo Van Kiet

Holds News Conference

*BK2306045793 Hanoi Voice of Vietnam in English
1000 GMT 22 Jun 93*

[Radio editor's "review" of 22 June "short press conference" by Premier Vo Van Kiet; place not given]

[Text] Prime Minister Vo Van Kiet hopes his coming trip to West European countries will contribute to further mutual understanding and more effective support and assistance by those countries to Vietnam. Talking to Vietnamese and foreign newsmen, he dealt with the human rights issue.

On his forthcoming visit to France, Germany, Britain, Belgium, and the European Community, Prime Minister Vo Van Kiet said that although many countries highly appreciated Vietnam's renewal policy, not all countries understand Vietnam and supported it in its national construction. For this very reason, he said, his coming visit to those countries will create a better understanding and provide more effective economic assistance.

(?Asked if) some criticism of Vietnam's human rights record at present would obstruct Vietnam's relations with Western countries, Prime Minister Vo Van Kiet pointed out: All United Nations members should respect

the principle of human rights according to the United Nations Charter. He said if a country had its own conditions, then each region has its own viewpoints on this issue. Therefore, he stressed, no country and region can impose their viewpoints on others. The UN Charter is for all nations in the world, but each country has its own national laws. The laws of each country cannot be imposed on other countries.

The Vietnamese head of government said: A superpower always tries to bring pressure to bear upon a small country in one way or another. The rich country puts pressure on a poor country. He suggested this was a problem of human rights.

Mr Kiet affirmed that as a country comprising mostly Buddhist followers, there have been no signs of religious opposition in this country, but if anyone, whether a religious believer or not, violates Vietnamese laws, he or she will be held responsible before the law. This was equality.

Mr Vo Van Kiet said the issue is not an obstacle for his coming visit to Western Europe. People of conscience would understand how human rights and the citizens' rights are respected in Vietnam.

Departs for Europe

BK2306024193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Jun 93

[Text] This morning, 23 June, the SRV Government delegation led by Prime Minister Vo Van Kiet left Hanoi for a visit to the Republic of France, the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Irelands, the Kingdom of Belgium, and the EC Commission at the invitation of [French] Prime Minister Edouard Balladur, [FRG] Chancellor Helmut Kohl, [UK] Prime Minister John Major, [Belgian] Prime Minister Jean-Luc Dehaene, and [EC Commission] President Jacques Delors.

Accompanying Prime Minister Vo Van Kiet on the trip were Nguyen Manh Cam, foreign minister; Le Xuan Trinh, minister and head of the Government Office; Dau Ngoc Xuan, minister and chairman of the State Commission for Cooperation and Investment; Ho Te, minister of finance; Cao Si Kiem, governor of the State Bank; Nguyen Duy Phu, director of the National Social Science and Humanity Center; Nguyen Ngoc Tran, head of the Central Overseas Vietnamese Commission; Vo Kham Phuc, deputy head of the State Planning Commission; Chu Tuan Nha, deputy minister of science, technology, and the environment; Tran Xuan My, deputy minister of education and training; Mai Van Chau, deputy minister of trade; Dang Van Than, director of the General Post and Telegraph Department; Vu Quoc Tuan, assistant to the prime minister; Mrs. Hoang Xuan Sinh, president of the Vietnam-France Friendship Association; and Vietnam's ambassadors to the aforementioned countries.

Also accompanying the Vietnamese Government delegation were senior adviser Nguyen Duc Binh, many businessmen representing a number of economic sectors, and newsmen from Vietnamese mass media agencies.

Meets With France's Balladur

BK2506074493 Hanoi VNA in English 0706 GMT 25 Jun 93

[Text] Hanoi VNA June 25—French Prime Minister Edouard Balladur yesterday held talks with Prime Minister Vo Van Kiet who arrived in Paris on June 23 for an official visit.

The two prime ministers informed each other of the situation in each country, exchanged views on a number of international and regional issues of mutual concern and spent much time discussing the orientation and measures to develop bilateral relations, especially economic, trade, scientific and technological cooperation. Prime Minister Edouard Balladur said the visit of Prime Minister Vo Van Kiet following the visit to Vietnam by French President Francois Mitterrand, reflects the determination of the two countries to develop the traditional friendship, and their desire to develop the comprehensive cooperation especially in the political, economic and cultural fields. There are now many favourable conditions to develop Franco-Vietnamese friendship and cooperation to a higher level, the French leader said. These are the important achievements of Vietnam in its renovation, Vietnam's high economic and foreign trade growth and its fruitful implementation of its open-door foreign policy, creating the basis for Vietnam to re-integrate with the international and regional community. He affirmed that the French Government and people unswervingly stand beside and support and assist Vietnam in national construction and development along the line of renovation. The doubling of the French Government's financial assistance to Vietnam is aimed at promoting the cooperation in economy, science and technology between the two countries. That is also a [word indistinct] manifestation of France's friendly and cooperative policy to Vietnam. The French Government's efforts have been multiplied by the presence of French groups and companies in Vietnam. The French Government is also ready to do what it can to help Vietnam improve relations with international financial organisations and develop its relations with the European Community.

The French prime minister highly valued the role of Vietnam at the centre of the most dynamic region in the world at present. Therefore, the development of Franco-Vietnamese relations not only serves the interests of the two peoples but also contributes to the development of the whole Southeast Asia.

Referring to the regional and international issues, Prime Minister E. Balladur said that the Cambodian situation is developing along a positive trend, that France and Vietnam have made active and appropriate contributions to solving the Cambodia issue. In the future, he

said, the two countries will continue working toward the cause of peace, stability in Cambodia.

Prime Minister Vo Van Kiet expressed his thanks to the French Government and people for their warm welcome to the Vietnamese delegation, for the fine words of Prime Minister E. Balladur about Vietnam and the Vietnamese people. He expressed satisfaction at the constant consolidation and development of the traditional friendship and cooperation between the two countries in spite of ups and downs. That relation has the necessary basis to develop strongly in the short-term as well as long-term interests of the countries and also of the whole franco-phone community and the interests of development of the region and the world as a whole. He highly appreciated the role of France in the region in general and Vietnam in particular and expressed his sincere thanks to the French Government and people for their significant assistance to Vietnam in economic development and national construction. He said that the visit to Vietnam of French President Francois Mitterrand earlier this year, and the exchanges of views between the two countries' leaders have led to mutual understanding and sympathy and promised a bright future for Franco-Vietnamese relations. Both Vietnam and France have great potentials and Vietnam is ready to reserve for France a deserving position in its external policy.

Earlier, during his meeting and exchange of views with French National Assembly Chairman Philippe Seguin, Prime Minister Vo Van Kiet told him the regards and greetings from Vietnam's National Assembly Speaker Nong Duc Manh.

He praised the vigorous development of the Vietnamese-French friendship in the past years, to which the two national assemblies have made a considerable contribution. He thanked the French National Assembly, Government and people for their assistance to the Vietnamese people in economic development and national construction.

He also expressed his hope to welcome Chairman Philippe Seguin to Vietnam, saying this would be a significant event following the French president's visit Vietnam early this year.

For his part, Chairman Philippe Seguin warmly welcomed Prime Minister Vo Van Kiet on a visit to France, the first Western European country in his current tour.

He highly appraised Vietnam's achievements in the process of renovation and its open-door foreign policy and active contributions to peace, friendship, stability, and development in the region and elsewhere in the world.

The chairman expressed his belief that Vietnam would make firm progress in the process of renovation and that the traditional Franco-Vietnamese relations of friendship and cooperation will constantly strengthen in conformity with the potentials and desire of both peoples.

Editorial Applauds Europe Ties

*BK2306070393 Hanoi VNA in English 0646 GMT
23 Jun 93*

[Text] Hanoi VNA June 23—The national daily NHAN DAN in its editorial today says that the official visit to Western European countries beginning today by a delegation of the Vietnamese Government meet the interests of all countries concerned and will take the relations of cooperation and friendship between Vietnam and those countries to a higher level.

The paper continues: 'The current visit of a government delegation led by Prime Minister Vo Van Kiet to West European countries following the Vietnam visits by French President Francois Mitterrand in February this year, German Foreign Minister K. Kinkel in April and Belgian Foreign Minister Willy Claes in May is of important significance, politically and economically.'

'Bilateral relations between Vietnam and West European countries and the European Community have since the early 90's made encouraging progress. West European countries, impressed by Vietnam's important achievements in renovation and encouraged by its stable political and social situation as well as its great potentials, have actively promoted their relations with Vietnam and shown their willingness to overcome international obstacles and settle outstanding questions in bilateral relations.'

'France and Belgium were the first Western countries to resume their development aid to Vietnam which has increased steadily each year. France, Belgium and Germany are Vietnam's important partners. In 1992, two-way trade between Vietnam and France reached 1.3 billion francs and between Vietnam and Germany, 400 million DM [German marks]. France is ranking third, and Britain, fourth, among foreign investors in Vietnam. Worthy of note is that France, Germany and Belgium in spite of domestic economic and social difficulties have annually increased their development and humanitarian aid to Vietnam while encouraging their businessmen to trade with and invest in Vietnam. Besides the enhanced economic and commercial relations, cooperation between Vietnam and West European countries in politics, culture, science and technology is also on the upbeat.'

Official, Delegation Tour East Europe

*BK2406143593 Hanoi VNA in English 1411 GMT
24 Jun 93*

[Text] Hanoi VNA June 24—A delegation of the Union of Peace, Solidarity and Friendship Associations led by Nguyen Minh Thong, vice-minister of light industry and presidium member of the union, has made a working tour of Bulgaria, Hungary, Poland, Czech [as received] and Slovakia. While there, the delegation was received by senior officials of those countries. It had working

session with the Bulgaria-Vietnam and Hungary-Vietnam friendship associations, and other social, political, and economic organisations. Host and guest exchanged views on bilateral relations and discussed measures to promote their friendship activities to conform to the present situation in each country.

Government Seeks GATT Observer Status

*BK2106152593 Hong Kong AFP in English 0445 GMT
21 Jun 93*

[Text] Hanoi, June 21 (AFP)—Vietnam will pursue its economic reforms for as long as it takes to integrate the country into the international economic system, Trade Minister Le Van Triet said Monday [21 June].

Triet was addressing a press conference with General Agreement on Tariffs and Trade (GATT) Director General Arthur Dunkel, during which he announced that Vietnam was applying for observer status in GATT as a step toward membership.

Neither Triet nor Dunkel would predict how long it would take for communist-ruled Vietnam to obtain full GATT membership, but Triet said the market-oriented economic reforms launched here in the late 1980s were irreversible.

"We will continue our course of economic renewal and reform our economic policy, mechanism and structure to the extent that we find that the structure that Vietnam adopts can fit international community practice," Triet said.

Dunkel noted that Vietnam would soon join the Brussels-based Customs Cooperation Council, which means adherence to a standard system of tariffs, calling it a significant step that even some GATT members have not yet taken.

Vietnam posted its first annual trade surplus in 1992 on exports worth 2.46 billion dollars and imports 2.38 billion dollars, two years after the collapse of the Soviet Union forced Vietnam to re-direct its trade to Asia.

Vietnam is one of several countries from the former socialist bloc now seeking to join GATT, a United Nations organization working for the international adoption of free-trade practices.

"The fact that world community has got out of the so-called cold war has had as a consequence—in respect of the economic institutions of the U.N. system such as GATT—that these institutions are moving toward universal membership," the director-general said.

GATT formed a committee last week to negotiate the accession of Russia, while talks on China's status should conclude "in the not too distant future," Dunkel said.

Delegate Attends NAM Session in DPRK

*BK2306070993 Hanoi VNA in English 0651 GMT
23 Jun 93*

[Text] Hanoi VNA June 23—Vietnam has said developing, Non-aligned countries were facing great difficulties and challenges resulting from long existing inequality in international relationships, especially between big and small, rich and poor nations.

They are also facing intervention, imposition and pressure that endangers their independence, sovereignty and self-determination, said Vietnamese head delegate to the meeting of information ministers of Non-aligned countries held in Pyongyang, the Democratic People's Republic of Korea, early last week.

The head delegate, Ho Tien Nghi, deputy director-general of VIETNAM NEWS AGENCY, also pointed to the widening technological and economic gap between North and South as well as unequal relationships in economy and trade between the two groups of countries.

Mr. Nghi said a number of developed countries, with their technological superiority, were controlling most of the information flow in the world. As a result, developing countries cannot hope to see their interests interpreted correctly and objectively.

A new world order in information as proposed by the 10th NAM [Nonaligned Movement] conference will serve peace, national independence, development and not only do away with this deplorable state of things, but also democratisation of international relations, even in the United Nations and other international bodies, which top the priority list in the world today, Mr. Nghi said.

During its stay, the Vietnamese delegation met and exchanged views with other delegations. It also visited a number of economic and cultural establishments and places of historical interest in the D.P.R.K.

Scientific Cooperation Pact Signed With Canada

*BK1906070993 Hanoi VNA in English 0610 GMT
19 Jun 93*

[Text] Hanoi VNA June 19—A memorandum on scientific cooperation for the 1993-96 period was signed here yesterday by Prof. Dang Huu, minister of science, technology and environment, and Dr. H. Jing Jai, director of the regional office of the Canadian International Development Research Centre (IDRC).

Since late 1990 IDRC has provided funding for a number of projects in Vietnam in the fields of agriculture, economic reforms and information.

SOUTHEAST ASIA

Ukraine-Vietnamese Friendship Association Established

*BK2506073293 Hanoi VNA in English 0651 GMT
25 Jun 93*

[Text] Hanoi VNA June 25—The Ukraine-Vietnam Friendship Association made its first public appearance in Kiev on June 16. The association is headed by Nicolay Gavrilenko, academy correspondent member, deputy to the People's Assembly of Ukraine and chairman of the Ukrainian Committee for Geology and Underground Natural Resources. On this occasion, Vietnamese Ambassador to Ukraine Truong Tung and association President N. Gavrilenko exchanged views on how to develop the multi-sided relations between the two peoples and to broaden direct contacts between enterprises, localities and friendship organisations of the two countries.

Prime Minister Receives Kuwait Fund Director

*BK1806152593 Hanoi VNA in English 1506 GMT
18 Jun 93*

[Text] Hanoi VNA June 18—Prime Minister Vo Van Kiet received here this noon the Kuwait Fund delegation

led by Badr al-Mishari al-Humaydi, its director general. Prime Minister Vo Van Kiet welcomed the director general's first visit to Vietnam and thanked the Kuwait Fund for its active assistance to Vietnam, especially in water conservation.

After pointing out that this assistance is a clear manifestation of the profound friendship and sympathy of the Kuwait Government and people with the Vietnamese people, the prime minister expressed his wish for further strengthening of the cooperation between the Kuwait Fund and Vietnam. The director general affirmed that the Kuwait Fund would reserve for Vietnam more assistance, especially in meeting Vietnam's request for loans for infrastructural construction.

Earlier, on June 16, Le Van Chau, deputy governor of the Vietnam State Bank, and the Kuwait Fund director general signed an agreement on credit for the Yazun irrigation project. So far, the Kuwait Fund has loaned Vietnam U.S.\$60 million to build four irrigation projects.

French Polynesia Seeks Recognition as Pacific State

*BK2506054293 Hong Kong AFP in English 0509 GMT
25 Jun 93*

[Text] Papeete, June 24 (AFP)—French Polynesian President Gaston Flosse launched a bid here Thursday for the territory to be recognised as a Pacific state but in the same speech warned there must be cooperation in black pearl marketing to prevent "fratricidal and hostile competition". His comment, which came in a speech to the opening of the Fourth Pacific Leaders Conference, struck an unusual tone as the black pearl industry is dominated by French Polynesia. The only new comer is Tahiti's neighbour, the Cook Islands, where black pearl growing has recently produced thousands of pearls.

The visiting Minister of the French Overseas Departments and Territories, Dominique Perben, also used the conference opening to "reaffirm the place the Pacific occupies in the foreign policy of my country".

Flosse stressed the autonomy he said French Polynesian now had told leaders that their conference opened the same day a new French Polynesian national anthem was being sung for the first time. He said tourism and pearls were an area French Polynesia could help the rest of the region. He said other Pacific nations could now use the French Polynesian delegation office in Paris to aid their own tourist promotion efforts.

Black pearls—which in fact come in a variety of colours—are much rarer than white pearls and are cultured in only a few countries. Tahiti produces around 300 kilograms (660 pounds) of black pearls a year, which in 1991 earnt the territory 43 million dollars. Cultivation is controlled by the territory's Institute for the Promotion of Aquaculture and Marine Activities. But in the last decade several Tahitian businessmen have joined with islanders on Manihiki in the Cooks to produce black pearls which are marketed independently.

Flosse told the conference there must be a permanent commitment to guarantee the quality of the product.

"We must put in place a panoply of concrete decisions to prevent fratricidal and hostile competition," he said. He offered French Polynesian help to finance pearlting and to cooperate in joint marketing. He said they also needed to act jointly to prevent any currency collapse affecting the pearl industry. Most black pearls are purchased by Japanese buyers.

Flosse gave no other details.

Meanwhile Perben, on his first trip to the Pacific, having earlier this month visited New Caledonia and Wallis and Futuna. He told leaders the ending of the Cold War gave France a new opportunity to solve the difficulties Pacific Islands encounter. The Pacific, he said, had a fundamental advantage.

"The peoples who live there possess steady and freely chosen institutions; they are guided by the spirit of consensus. There lies one of the first conditions for peace, freedom and consequently development."

Although France's actions in the Pacific were partially related to the fact it had territories in the region, he said the action was not only defined in Paris. "It is the result of a partnership with the French territorial collectivities represented here and with its leaders."

The solidarity showed in the way the independent Pacific supported the [word indistinct] Agreements which define the political development of France's New Caledonia. "The government I belong to does intend to carry out in the Pacific an active policy under the colours of both France and the Pacific Islands."

Australia

Minister Views U.S. 'Escalation' of Wheat 'War'

*BK2506100393 Melbourne Radio Australia in English
0500 GMT 25 Jun 93*

[Text] Australia is concerned there will be an escalation of the global wheat subsidies war, with the United States deciding it may start targeting Canada. But Linda Mottram reports Australia is taking some comfort from America's latest announcement on subsidized wheat.

[Begin recording] [Mottram] The federal government is encouraged the U.S. seems to have heeded Australia's protest against any expansion of the export enhancement program, particularly into Asia. The Primary Industries Minister Simon Crean remains concerned that the overall amount of subsidized wheat the U.S. is willing to use is still very large and likely to depress world prices. America's decision to start targeting Canada is also worrying Mr. Crean.

[Crean] These things can get out of hand if they're just seen as more than retaliatory. If they start becoming pre-emptive at the same time it just gets a huge escalation. [sentence as heard]

[Mottram] Trade Minister Peter Cook is set to raise the matter with Canada at this weekend's meeting in Bangkok of the Cairns Group of free trading nations. [end recording]

Industry: U.S. 'Does Whatever It Wants'

*BK2506100593 Melbourne Radio Australia in English
0500 GMT 25 Jun 93*

[Text] While Australia is taking some comfort from America's latest announcement on subsidized wheat, the Australian Wheat Board Chairman Clifton Condon says the decision shows that America does whatever it wants in world trade. Mr. Condon says he is pleased Australia's markets in Asia have been omitted from the subsidies but says they'll still be affected by the large-scale cheap

grain exports. He says the United States is changing the rules by targeting Mexico and Canada with its subsidies.

[Begin Condon recording] This program started off as just targeting the European Community. Only we've seen it's been moved to markets where Europeans weren't selling wheat, and now we see it is targeting the Canadians. So really it's been about what I've been saying for a couple of years, and that is that the American would use subsidies to sell wheat and other products to whomever they like whenever they like. [end recording]

Defense Department Report Discusses Peacekeeping

*BK2206094093 Melbourne Radio Australia in English
0500 GMT 22 Jun 93*

[Text] Australia is likely to maintain a large presence in peacekeeping operations around the world, according to a Defense Department policy paper. Linda Mottram reports the paper also confirms the department's opposition to specific peacekeeping units within defense.

[Begin Mottram recording] The unclassified version of the report says the defense should have a base level of around 200 personnel for peacekeeping operations, but it says that for the rest of the decade Australia's peacekeeping level would be significantly higher than in the past.

This year, around 600 personnel have been involved in United Nations peacekeeping, with a further 1,100 in Somalia—until recently a United-States-led operation.

Involvement in peacekeeping should be on a case by case basis, but the report says there are limited prospects of peacekeeping in this region outside of Cambodia. [end recording]

Government To Invite ASEAN for Joint UN Training

*BK2506105293 Melbourne Radio Australia in English
0500 GMT 25 Jun 93*

[Text] The federal government next year will invite ASEAN nations to a joint training program for UN peacekeeping troops. Australia's Defense Minister Senator Robert Ray announced the decision at a peacekeeping conference at the (Kemanggrum) military training center in the Gold Coast hinterland. The conference has been attended by delegates from 19 nations. Senator Ray said the joint training program will be held in Williamtown in New South Wales.

Premier Keating Visits PRC, Meets Leaders

WA2506142693

For Chinese and Australian reportage on the visit by Prime Minister Keating to the PRC, including reports on discussions concerning trade and bilateral ties and other issues with Jiang Zemin, CPC Central Committee general secretary, president of state, and Central Military Commission chairman; Li Peng, premier of the State Council; and Zhu Rongji, State Council vice premier, please see the International Affairs division, Southeast Asia & Pacific section, of the 22 June China DAILY REPORT and subsequent issues.

